

Turkey denies thrust into Iran

ANKARA (R) — Turkey denied press reports on Friday that its commandos and special police forces crossed into Iran to chase separatist Kurds who killed seven soldiers. In Tehran, the Foreign Ministry summoned Turkey's ambassador on Thursday night to explain what it said were remarks by the Turkish Defence Minister Dogn that Iranian border guards joined the rebels in opening fire on the Turkish troops. "It is not true. We deny it," Foreign Ministry spokesman Ferhat Ataman said of the report in the daily Milliyet on Friday. It said Turkish commandos and special police teams advanced 15 kilometres inside Iran in pursuit of rebels of the outlawed Kurdistan Workers Party (PKK). Milliyet did not say when the operation took place or whether security forces were still inside Iran. "There is no truth to it. We laughed when we read the report of the invasion," a senior military official in Ankara told Reuters. Seven Turkish soldiers were killed in a PKK attack on a military post near Cobsapinar village in Halikani province, bordering on Iran by PKK guerrillas on Sept. 10. Turkey said the rebels had fled into Iran and asked Tehran to catch them and hand them back.

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Crown Prince heads for London

AMMAN (Petra) — His Royal Highness Crown Prince Hassan left Amman Friday for London on a several-day working visit to the United Kingdom. Prince Hassan was seen off at the airport by their Royal Highnesses Prince Abdullah Ben Al Hussein, Prince Faisal Ben Al Hussein and Princess Rahma Bint Al Hussein. Also present at the airport were Prime Minister Taher Masri, Royal Court Chief Sharif Zeid Ben Shaker, Chief Chamberlain Prince Ra'd Ben Zeid, the King's private advisor, senior Jordanian officials and the British ambassador in Amman.

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Baker leaves Mideast with peace parley still in balance

DAMASCUS (Agencies) — U.S. Secretary of State James Baker headed home from the Middle East Friday leaving prospects for an Arab-Israeli peace conference still hanging in the balance.

Palestinians kept hopes alive by deciding at the last moment to send a leading West Bank academic, Hanan Ashrawi, to meet Mr. Baker in Amman.

But Dr. Ashrawi did not get what Palestine Liberation Organisation (PLO) Chairman Yasser Arafat told her to ask for: A U.S. commitment to Palestinian self-determination.

"There was some progress but not sufficient progress," she told reporters. "We will have to work some more."

Palestinians are the key players who have not agreed to attend a conference, which Washington hopes to convene next month.

The Palestine National Council (PNC) meets in Algiers Monday to settle whether the PLO, which Israel refuses to meet, should allow leading figures from the West Bank and Gaza Strip to take part.

Dr. Ashrawi also asked Mr. Baker for assurances that Israel would stop Jewish settlement in the occupied territories and that Arabs from East Jerusalem could be represented at a peace conference.

The Israeli government, which has given only a conditional promise to attend, is seeking over suggestions that Washington may link economic aid to a halt in the settlements.

President George Bush has threatened to veto \$10 billion in housing loan guarantees for Israel if Congress passes them before January. But he has not spelled out a direct link with the settlements, which Israel is pushing furiously ahead in spite of U.S. opposition.

Syrian President Hafez Al Assad says there would "be nothing to talk about" at a peace conference if Israel used U.S.-backed loans to fill the occupied territories with Jewish homes.

Mr. Baker has been working for six months to arrange a conference. His latest trip — number seven since the Gulf war — ended with an unscheduled return to Damascus. Mr. Assad sought more talks.

U.S. and Arab officials said Mr. Baker made progress, but not enough to clinch agreement.

It remains unclear both whether the PLO would allow local leaders from the occupied territories like Dr. Ashrawi to take part and whether the conference could start without Palestinians.

Palestinian factions have been bargaining hard in Algiers. The word on Thursday had been that they considered another meeting of local leaders with Mr. Baker a waste of time.

U.S. officials said letters of assurance which Mr. Baker is giving prospective conference participants are basically restatements of existing U.S. policies.

Palestinian self-determination — which could open the way to an independent state — is not one of them.

Another sign of how the argument is going in Algiers came from the Damascus-based Democratic Front for the Liberation of Palestine, a faction of the PLO.

It said it would boycott Monday's meeting of the PNC unless other groups agreed to refuse the American proposals. Only the PLO, it insisted, could represent the Palestinian people.

"The Democratic Front for the Liberation of Palestine will not take part in the coming session of the PNC unless there is a clear, unified political agreement to refuse the American proposals," the group said in a statement issued by its Damascus headquarters.

"It insists on the right of the PLO to represent the Palestinian people directly in any negotiations or in the peace conference," the statement said.

DFLP leader Nayef Hawatmeh is in Algiers for preliminary negotiations with other Palestinian groups.

Khaled Al Fahoem, head of the Damascus-based Palestine National Salvation Front (PNSF), said this week five groups would not attend.



His Majesty King Hussein and U.S. Secretary of State James Baker head Jordanian-American talks in Amman Thursday (Photo by Youssef Al 'Athan)

Baker ends Jordan visit after delivering assurances letter

Nobody more serious than King Hussein in peace efforts, secretary of state says

By Sana Attiyeh
Special to the Jordan Times

AMMAN — U.S. Secretary of State James Baker left Amman for Damascus Friday after a two-day visit to the Kingdom, leaving behind a letter of assurances, which Jordanian officials say will undergo a thorough legal and political analysis before a decision is made on its substance.

Mr. Baker, who arrived here Thursday on his seventh peace shuttle to the region and his sixth to the Kingdom, left for Damascus to pursue a similar letter he had delivered to the Syrian leadership earlier.

In a joint press conference after talks at the Royal Palace Thursday, His Majesty King Hussein described his talks with Secretary Baker as "constructive"

and said that he was encouraged by the developments of the U.S.-brokered peace process.

"I am very happy and very encouraged that we are on the path towards achieving our objectives of starting a process, and hopefully without delay, involving all of us in this area," King Hussein told reporters at the Basmal Palace.

"The King and Mr. Baker stressed the urgency of pursuing the U.S.-led efforts for Middle East peace and warned against missing what they believe to be a final opportunity for peace for a long time to come."

"I think that the time has come for people to act rapidly, and not to let this opportunity slip away if we are really responsible," King Hussein stressed.

King Hussein warned that time was

short for the opportunity for peace, adding that Jordan was in touch with the Palestinian leadership in the diaspora and those in the occupied territories, and that the "process is ongoing as far as the one dimension and the PLO (Palestine Liberation Organisation) is preparing to have this PNC (Palestine National Council) meeting to be held soon."

"I only hope they will realise that time is short, and that the alternative to progress — a real serious progress brought about by a real genuine recognition to the fact that this opportunity may not come again, ever, and that the only alternative is disaster in terms of people and in terms of the region. What other options are there?" the King asked.

He added that although there were some who were skeptical and negative in their attitude towards the current peace process and expressed his hope that there be an understanding

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Israel unveils plans to build new settlement in Arab Jerusalem

TEL AVIV (Agencies) — In a move that could further aggravate relations with the United States, Israel's housing ministry disclosed plans Friday for a Jewish housing development in the heart of Arab East Jerusalem.

Meanwhile, Defence Minister Moshe Arens said Israel would not freeze Jewish settlements in the occupied West Bank and Gaza Strip regardless of international criticism.

Israel's determination to forge ahead with settlement was underscored when the parliament's finance committee Friday approved 15 million shekels (\$6.4 million) for Jewish settlements.

The funds are earmarked for industrial and tourism projects. The actions came as U.S. Secretary of State James Baker concluded his seventh trip to the Middle East to try to put together a regional peace conference.

Mr. Baker's talks were marred by a fight with Israel over the Jewish state's request for \$10 billion in loan guarantees to help settle Soviet immigrants.

President George Bush has asked Congress to delay consideration of the request for 120 days, fearing that a debate over the immigration and settlements could hamper peace negotiations.

Mr. Arens was asked at a Jewish gathering in Tel Aviv whether Israel was considering stopping settlement construction.

"The answer to that is no," Mr. Arens said. "We are not considering freezing settlement construction."

He added: "Peace will certainly not be served — in fact I believe no useful purpose will be served — if pressure is applied to the government of Israel to do something that it cannot do and therefore will not do, namely freeze settlements in the area."

He did not specifically mention the United States, but it was a clear reference to the Bush administration's repeated stance that settle-

ments are an obstacle to Middle East peace.

Israel already has moved tens of thousands of Jewish settlers to the occupied West Bank and Gaza Strip. Right-wing Housing Minister Ariel Sharon has launched a massive construction drive in the occupied territories that left-wing critics say could double the number.

The new Jewish housing development is planned for the Wadi Jar' neighbourhood of Arab East Jerusalem.

The site is covered with an olive grove and is adjacent to the middle-class Palestinian neighbourhood of Sheikh Jarrah, with large stone houses and several Western consulates. It is in the working class Wadi Jar' with smaller homes and dozens of Arab auto repair shops.

The site is "owned" by the Israeli land authority, which is under the control of Mr. Sharon's Housing Ministry.

Mr. Arens also said Friday that the United States, in its zeal to bring the Arabs to the negotiating table, may have promised them what it cannot deliver — Israel's complete withdrawal from the occupied territories.

He warned that such enticements could breed "disappointment and frustration and perhaps in the end not peace, but war."

In a speech to the B'nai B'rith movement, Mr. Arens also chastised President Bush for seeking a delay of the U.S. loan guarantees. He said Mr. Bush had handed the Arabs a concession they had not dared to ask for.

Mr. Arens said Mr. Baker had "played a great part" in getting the Arabs to agree to a peace conference, planned for next month at which they would negotiate peace directly with the Jewish state.

"But the impression is gained that the Arab leaders... think that through these negotiations they will bring about Israel's withdrawal to the 1967 borders, including leaving East Jerusalem," he said.

Hostage hopes fade

BEIRUT (Agencies) — A Hizbollah cleric Friday urged kidnappers not to release more Western hostages unless Israel freed a Shiite Muslim cleric.

His statement came as the wife of British hostage Jack Mann said she lost "all optimism" a day after kidnappers announced they will not release Western captives unless Israel frees 20 more Lebanese prisoners.

"I urge the kidnappers not to release any more Western hostages unless Sheikh Abdul Karim Obied and the rest of the Mujahideen were freed," said Sheikh Ahmad Taleb.

Sheikh Obied, 39, a cleric and a Hizbollah activist, was kidnapped by airborne Israelis from his hometown village of Jibsheet in South Lebanon July 28, 1989.

Hizbollah is believed to be the umbrella for kidnappers holding most of the Westerners held in Lebanon. Senior Shiite leaders have said the captives are five Americans, two Britons and two Germans.

"The Israeli enemy only understands the language of force. They should be pressured," said Sheikh Taleb, 29, who replaced Sheikh Obied as the imam of Jibsheet.

"They (kidnappers) should master this language in the hostage issue which is their last bullet," Sheikh Taleb told the Associated Press at his residence in Jibsheet.

He said the kidnappers "should be patient... and should not give anything before getting something."

In Beirut, diplomats accused kidnappers of raising the stakes in the Middle East hostage crisis and said the next move was up to the United Nations.

Jordan satisfied with U.S. assurances

By Jane Arraf
Reporter

AMMAN — Jordan, a key player in the Middle East peace process, said Friday it was satisfied with American assurances on proposed Arab-Israeli talks from U.S. Secretary of State James Baker.

"It is still under study but the main ideas we have sought are in these letters," Prime Minister Taher Al Masri told Reuters. He was referring to letters delivered by Mr. Baker putting the U.S. assurances in writing.

Mr. Masri made the comments as a West Bank Palestinian leader who met Mr. Baker in Amman before he flew to Syria indicated that the Palestine Liberation Organisation (PLO) needed further movement from Washington on key issues to back the talks.

The Palestinians, if they agree to attend, would likely go to the peace conference proposed for next month in a joint delegation with Jordan.

Palestinians fear that a conference between Israel, a divided Arab World and a weakened PLO may result in peace between the Jewish state and its neighbours but no settlement to the festering Palestinian problem.

Jordan, which shares the longest border with Israel, has been careful to place no obstacles to a conference which could result in an Israeli pull-

out from the occupied territories.

"I don't think any party, the Jordanians, the Palestinians or the Israelis, has received all the assurances according to his own thinking — everyone has something or claims he has something missing," Mr. Masri said.

Mr. Baker said after meeting King Hussein Thursday that one of the American assurances had reiterated the U.S. commitment towards a comprehensive settlement based on U.N. resolutions calling on Israel to trade seized lands for peace. Israeli Prime Minister Yitzhak Shamir has ruled out swapping land for peace.

Jordanian officials had said before Mr. Baker's visit that they were also seeking assurances on such issues as the duration of bilateral talks with Israel and details of the conference itself.

Jordan has offered the Palestinians the umbrella of a joint delegation to the peace talks, to overcome Israeli objections to talking with the PLO. The Palestinians have yet to respond.

A meeting of the Palestine National Council (PNC) opening in Algiers Monday is due to decide whether to back the talks.

Mr. Masri later told Reuters that Jordan's main continuing concern and a major part of the talks with the U.S. official was the issue of Israeli settlements in the occupied territories.

"We have one major concern and this is the settlements. It's really something that is growing in importance. When and if the conference opens it will be the first problem," he said.

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Arab coordination meeting to be held in New York

By Jamal Halaby
The Associated Press

AMMAN — Foreign Minister Abdullah Ensur said Friday that he and his counterparts from Egypt, Jordan, Syria, Lebanon and the Palestine Liberation Organisation (PLO) will meet in New York next week to discuss efforts for convening an Arab-Israeli peace conference.

"The meeting will take place next Wednesday in New York on the fringes of the meetings of the United Nations General Assembly," Dr. Ensur said in an interview.

"I and my counterparts from Egypt, Syria, Lebanon and the PLO will discuss peace efforts in the region and prospects for a settlement to the Arab-Israeli conflict and the Palestinian problem," he said.

The minister told the Associated Press that the meeting, the

first to include officials from the four countries since the early days of the Gulf crisis, was arranged by U.N. Secretary-General Javier Perez de Cuellar.

Differences prevailed among Arabs during the Gulf crisis.

Last week, Yasser Abed Rabbo, a member of the PLO's Executive Committee, said such a meeting was upcoming but did not have the location or date.

Mr. Abed Rabbo said it was aimed at coordinating Arab stands ahead of the U.S.-proposed Middle East peace conference scheduled for next month.

In an interview with the AP, Mr. Abed Rabbo said other issues on the agenda of talks include guaranteeing that the conference, co-sponsored by Washington and Moscow, will be held on the basis of U.N. resolutions 242 and 338.

Assad says Palestinian problem must be solved

DAMASCUS (Agencies) — President Hafez Al Assad has told American television that Israel could not make peace with Arabs unless it settled the Palestinian problem.

"If we leave any part of the problem unresolved there will be no stable peace in the region," he said. "The Arab problem is basically a single problem. Dividing it up will not help."

Syria has agreed to attend an Arab-Israeli peace conference which the United States, hopes will open in October.

Mr. Assad's interview, broadcast Thursday night in the United States, was recorded before his talks this week with Secretary of State James Baker.

According to a full text carried by the official news agency SANA, the president said Arabs, the United States and European countries were making "serious efforts" to achieve a just and comprehensive peace in the Middle East.

"When we look on the other side — the obstinate Israeli position — we might be pessimistic. But despite that we will continue to seek peace," Mr. Assad said.

If the United States approved \$10 billion in loan guarantees to Israel, it would use them to settle Jews in occupied Arab lands, he added.

"This will not push the peace process forward, rather it will

abstract it in the extreme. If we see these lands filled with homes for Jewish immigrants, there will be nothing to talk about..." Mr. Assad said.

"We believe that Israel does not want peace... the rejection is clear. It refuses to implement U.N. resolutions, rejects the return of the lands it occupied and consequently rejects peace."

Mr. Assad said the return of the Golan Heights to Syria by Israel would not be enough to reach a comprehensive settlement of the Arab-Israeli conflict and all Arab territories should be returned.

"I don't think there is anybody in the United States who thinks peace could be achieved between Arabs and the Israelis if Israeli occupation of Arab lands is not ended."

"President Bush, the Israelis and all those who deal with us know that there could be no peace if Arab lands occupied by Israel are not returned," he said.

Asked whether he wanted to see Israel destroyed, Mr. Assad said: "I want peace. If Israel feels that peace will destroy it this is its concern. As for us we want peace."

"When a comprehensive solution is implemented, there will be a comprehensive peace. This is something that will be decided at the peace conference, between the Israelis on one side and the Arabs on the other."



U.S. Secretary of State James Baker and Palestinian representative Hanan Ashrawi in Amman Friday (Photo by Youssef Al 'Athan)

Baker, Ashrawi hold surprise meeting

By Nermeen Murad
Jordan Times Staff Reporter

AMMAN — Secretary of State James Baker and Palestinian representative Hanan Ashrawi held a round of talks here Friday, based mainly on re-formulation of a draft letter of assurances delivered to the Palestinians last week.

Mr. Baker and Dr. Ashrawi held their unexpected one-hour meeting just before the secretary left for Syria Friday and after his official visit to Jordan had ended.

Ms. Ashrawi left her city of residence in the Israeli-occupied West Bank at dawn on Thursday after a midnight authorisation from the Palestinian leadership to respond to an invitation from the American secretary of state to meet in Amman and pursue the issue of Palestinian participation in the proposed Middle East peace conference tentatively

scheduled for next month.

"I thought the meeting went very well, I am glad we had the meeting and I think we are making some progress," Mr. Baker told reporters who gathered at the Marriott Hotel where the U.S. secretary of state stayed Thursday night.

Mr. Baker arrived in Amman on a two-day visit during which he delivered a letter of assurances to the Kingdom of the U.S. brokered Middle East peace conference and held talks with His Majesty King Hussein and senior Jordanian officials (see separate story).

Dr. Ashrawi said progress was made during her talks with Mr. Baker, but said that more work was needed to clarify a number of issues before the Palestine National Council (PNC) can make its decision on whether to participate in the peace conference or not (see story below).

After Mr. Baker departed for Damascus, a senior U.S. official travelling with the secretary of state

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Ashrawi: Talks made progress, gaps remain

By Nermeen Murad
Jordan Times Staff Reporter

AMMAN — A Palestinian representative from the occupied West Bank who met with American Secretary of State James Baker in Amman said afterwards the discussions had made progress but a lot of issues remained to be clarified before this week's meeting of the Palestine National Council (PNC) in Algiers.

Hanan Ashrawi, who met with Mr. Baker early Friday after crossing the river from her residence in Ramallah in the West Bank, and the secretary of state himself said some progress was made during their discussion but that there were no conclusive results.

"We asked for reformulations of certain things, basically we concentrated on three issues: Settlements, East Jerusalem and self-determination, and I can say there was some progress but not sufficient progress," Dr. Ashrawi said without elaborating on the details contained in the American letter to the Palestinians.

She said that her meeting with Mr. Baker was to "pursue some of the issues dealing with the letter of assurances to get further clarifications and some more answers."

"I thought the meeting went very well. I am glad we had the meeting and I think we are making some progress," Mr. Baker told reporters who gathered at the Marriott hotel where the U.S. secretary of state spend Thursday night.

"I can say that there was some progress, but not sufficient progress. We will have to work some more, and this (letter of assur-

ances) will be another draft on the road to further drafts in order to achieve a final formulation."

Dr. Ashrawi said in a press conference at the Palestine embassy following her meeting.

She said that her meeting with Mr. Baker was to "pursue some of the issues dealing with the letter of assurances to get further clarifications and some more answers."

"We asked for reformulations of certain things, basically we concentrated on three issues: Settlements, East Jerusalem and self-determination, and I can say there was some progress but not sufficient progress," Dr. Ashrawi said without elaborating on the details contained in the American letter to the Palestinians.

She added that further discussions were expected to take place with Mr. Baker in the future to finalise an agreement on the content of the letter of assurances, adding that the letter was still a first draft which had not yet reached its final stage.

Dr. Ashrawi insisted that the Palestine Liberation Organisation (PLO) and the PNC would make their final decision on whether they wanted to participate in the conference or not.

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On the Occasion of
The Prophet's Birthday



ARAB BANK

has the honour to convey to
HIS MAJESTY KING HUSSEIN
and to the Jordanian people
its felicitations and
most cordial wishes.

Security Council gives go-ahead on Iraqi oil sales

UNITED NATIONS (Agencies) — The United Nations Security Council gave Iraq permission Thursday to resume limited oil sales as it awaited a reply from Baghdad on whether U.N. helicopters can fly over the country without restrictions.

The resolution adopted by the council clears the way for the first Iraqi oil to reach international markets since Baghdad's troops invaded Kuwait a year ago.

Under the resolution, Iraq can sell \$1.6 billion worth of oil in six months to pay for emergency food and medicine and contribute to a fund for war victims.

The 15-member body approved the document by a vote of 13 to 1, with Cuba voting against and Yemen abstaining.

At the same time Security Council President Jean-Bernard Merimee said he hoped to receive a reply late Thursday or early on Friday from Iraq on the council's demand for U.N. weapons inspection teams to be allowed to fly their own helicopters over Iraqi territory.

Iraq, citing security considerations, last week barred U.N. helicopters on loan from Germany, from flying U.N. teams searching for weapons of mass destruction.

The refusal brought a warning from President George Bush that warplanes might be sent to the Gulf to protect U.N. inspection teams if Baghdad persisted in obstructing their mission.

But Mr. Merimee said the controversy of the helicopters was not linked to the oil sales.

"In terms of the humanitarian needs of the Iraqi people, there is no question it has to be done and it will be done," he said.

Under the resolution, the Iraqi State Oil Marketing Organisation (SOMO) makes the oil sale and draw up the contract. But it must first be approved by the council's sanctions committee.

Baghdad has not yet said it

would agree to the stiff terms of the resolution, which also demand all monies be deposited in a U.N. escrow account and then spent for food and medical supplies under U.N. supervision.

Iraq's Ambassador, Abdul Amir Al Anbari, said the complicated plan was not workable. He said it made the Iraqi people, suffering from a trade embargo imposed four days after the August 1990 invasion of Kuwait, victims of international politics.

U.S. Ambassador Thomas Pickering said the trade embargo would be maintained. "This limited authorisation for the sale of Iraqi oil is being made within the existing sanctions regime, which remains firmly in place."

A third of the \$1.6 billion will go for reparations and pay some of the U.N. costs in sending teams to Iraq to scrap its weapons of mass destruction and other projects. The \$1.6 billion figure is subject to review.

Secretary-General Javier Perez de Cuellar has recommended another \$800 million worth of oil sales to purchase emergency food and medical supplies for the winter months.

His chief for humanitarian needs in the Gulf, Prince Sadruddin Aga Khan, speaking in Paris, criticised continued sanctions.

"It seems an absolute aberration to make this population which has already suffered so much and is not responsible for what happened pay an additional price," he said.

The Soviet deputy ambassador, Valentin Lozinskiy, said the council's plan "provides for Iraq adequate financial resources."

...with a view to easing the civilian population of Iraq, primarily its most vulnerable elements, women and children.

The sooner Iraqi oil goes on sale, the sooner the United Nations will be able to pay for relief supplies for Iraqi civilians, the destruction of Iraq's weapons, and reparations to war victims.

Iraq must also pay half the cost of defining the Iraq-Kuwait border, one of the issues that led to the Iraqi invasion of the emirate, and for the costs of returning looted Kuwait property.

Tensions are still high along the ill-defined border, with scavengers entering the zone at night to recover abandoned Iraqi ammunition and equipment.

Kuwait claims the scavenging raids are organised by Iraq, although U.N. border guards say most of the incursions appear to be by civilians.

Under the economic embargo, Iraq may buy food and medicine, but has traditionally paid for other products through oil sales.

Numerous visitors to Iraq have reported an increasing shortage of medicine, water-treatment chemicals and the outbreak of diseases including cholera.

Iraq's current oil production is 300,000 to 500,000 barrels a day; maximum production in the foreseeable future is estimated at 1.5 million barrels a day.

The Iraqi oil would be sent through the pipeline to Turkey, where it would be stored for sale. That pipeline can carry about one million barrels a day.

before the Gulf war, Iraq was selling about 2.9 million barrels a day; the United States bought about 400,000 barrels daily.

In a related development, the United Nations announced Thursday that Margaret Anstee will be the secretary-general's personal representative to coordinate U.N. efforts to minimise the damage from burning oil wells in Kuwait.

Ms. Anstee is the director-general of the U.N. office in Vienna. She will travel to Kuwait Oct. 7 to make arrangements for a comprehensive assessment of the problems caused by hundreds of burning wells.

Her efforts will focus on the damage caused to the region's environment, and to health and quality of life.

Morocco, Polisario accuse each other of breaking ceasefire

RABAT (R) — Morocco and Polisario guerrillas have accused each other of violating a U.N.-sponsored ceasefire in the Western Sahara.

The ceasefire was proclaimed on Sept. 6 when U.N. peace-keeping forces began to move into a dozen observation posts along the territory's eastern borders.

Minister of State Without Portfolio Ahmad Alaoui, considered a spokesman for King Hassan of Morocco, said the ceasefire accord had been broken by the Polisario Front by moving in forces from neighbouring countries.

"Under cover of the ceasefire, the opposing gangs have moved into various points in the zone between the wall and Morocco's international frontier," Mr. Alaoui wrote in the semi-official daily Le Matin du Sahara on Friday.

He said the activities were "a violation of the ceasefire and a veritable provocation. The ceasefire accord was agreed between Morocco and the U.N. It is up to the United Nations to get it respected."

In statements carried by the official Algerian news agency APS, the Polisario said Morocco had violated the ceasefire by sending reconnaissance flights this week over Aggonit and Bir Lahou in what it calls liberated territory.

The area, described as a no-man's land by the Moroccans, is a strip of territory between the Algerian and Mauritanian borders and Moroccan defence lines, or the "wall" referred to by Mr. Alaoui.

On Thursday, the Polisario said Moroccan Interior and Information Minister Driss Bassi had decided to organise a second "green march" of 170,000 Moroccans into the Western Sahara.

The first green march was launched by King Hassan in 1975 when 350,000 unarmed Moroccans were moved in to press claims to the disputed territory. The march led to Spain's withdrawal in February 1976.

Moroccan officials said the Polisario report of a second green march was "pure fantasy."

Diplomats said the Polisario report, which said people from southern Morocco were being moved into areas near the Saharan towns of Laayoun, Smara, Dakhla and Boujdour, was apparently a reference to Saharan refugees Morocco says fled to Morocco from the Western Sahara.

Diplomats said Morocco had submitted lists of 134,000 people it says are entitled to vote in a U.N. referendum offering Saharans the choice between independence and integration with Morocco.

The lists include Saharans resident in the area controlled by Morocco and also refugees who have fled to Morocco in the past 33 years.

Foreign Minister Abdul Latif Filali told Moroccan journalists at a briefing Thursday that Morocco would reject the referendum if the United Nations did not agree to register on the electoral rolls the names of people on the lists.

The U.N.-sponsored truce came into force as a first step towards the referendum next year.

Morocco and the Polisario have been fighting over the former Spanish colony since 1975.

Testimony on Petra Bank foreign deals ends; auditing details go before court

By a Jordan Times Staff Reporter

AMMAN — Presentation of key testimony and evidence related to the foreign exchange operations and foreign accounts of the collapsed Petra Bank to the military court by a banking expert was completed Thursday. Findings of auditors in the books of Petra Bank when the Economic Security Committee (ESC) took over the Bank in August 1989 and results of the scrutiny of the accounts since then are expected to be presented to the court beginning Sunday.

Maher Waked, a senior banking executive who was a member of a 10-member committee which investigated the affairs of Petra Bank following its take-over, Thursday wound up three weeks of testimony and cross-examination by defence lawyers as well as judges after presenting 28 cases; most of them foreign exchange accounts and transactions that Petra Bank undertook under the management of Ahmad Chalabi.

The cases that Dr. Waked dealt with involved close to 30 defendants, including Dr. Chalabi and some of his family members and many former Petra Bank employees.

Lawyers representing the various defendants took turns at cross-examining Dr. Waked, most of them limiting their area of questioning to evidence and testimony immediately related to charges against their respec-

tive clients. Dr. Waked was the third witness. The first and second witnesses testified on mostly domestic dealings of Petra Bank, including credit facilities and real estate transactions.

Nazih Anfat, the fourth witness and a former Petra Bank official who was a member of the investigating committee, will go before the court Sunday to present his auditing findings.

Several defendants, Dr. Chalabi prominent among them, figure in almost every case that Dr. Waked presented in court. Dr. Chalabi and several other defendants are being tried in absentia and, following their refusal to respond to court summons, are not represented in court.

On Thursday, Dr. Waked was also questioned by the military attorney-general, Brigadier Abdullah Sharif, and the three judges of the court, Presiding Judge Brigadier Mohammad Mango, Colonel Mamoun Khasawneh and Lieutenant-Colonel Ahmad Kaye, on various aspects of his testimony as well as on issues pertaining to banking in general in Jordan.

According to legal experts, the defence in most cases is trying to establish that Petra Bank was essentially a one-man show run by Dr. Chalabi, the Iraqi-born founder of the bank which, at its heyday, was the second-largest commercial bank in Jordan, and that staff who served under him cannot be held responsible for their actions since

they were only following the chairman's orders.

The cases that Dr. Waked presented in court included Petra Bank operations which, he said, violated regulations laid down by the Central Bank of Jordan (CBJ) and involved channelling of funds outside the country, speculation in foreign commodity markets, maintaining foreign accounts for Jordanians while CBJ rules had banned such dealings, undertaking foreign operations which had no relevance to the bank's status as a Jordanian bank, and knowingly entering deals with collapsed organisations and insolvent individuals.

According to Dr. Waked's testimony, most of these transactions, one way or another, benefited Dr. Chalabi or some of his family members since the foreign firms involved were also either owned or controlled by the Iraqi banker. The amount involved in Petra Bank's foreign operation covered in his testimony ranged between \$135 million and \$160 million, accounting for the bulk of the bank's losses, according to Dr. Waked.

Some of the institutions mentioned by Dr. Waked in court were the Beirut-based Middle East Banking Corporation (MEBCO) and its affiliate in Geneva, as SCF Corporation based in London and the Petra Banking Corporation based in Washington, D.C.

Among the cases cited by Dr. Waked as dubious banking practices were a Petra

Bank underwriting of a lease of a ship by MERCO Geneva and financing a fishing firm in Malaysia. In both cases, Petra Bank Amman lost money, according to Dr. Waked. Several such cases were presented to the court.

Dr. Waked also referred to the credit card operations of Petra Bank, the first bank to introduce the system in Jordan, under the control of an affiliate of Petra Bank known as "The Consumer Bank." Losses in this area, according to Dr. Waked, are over \$8 million.

The Chalabi management of Petra Bank also used to acquire shares in local companies after manipulating prices, but such deals ultimately benefited Dr. Chalabi or some of his close associates, Dr. Waked said. Some of the companies ended up in collapse, while others reported consistent losses in their books, he said.

Petra Bank books also showed "bribes" given to local individuals for soliciting deposits to make up for shortfalls in the bank, according to Dr. Waked.

Over 40 defendants are being tried in the case, the biggest scandal to hit Jordanian banking. Petra Bank is now under liquidation. The total loss of the bank is set at present in the region of \$300 million, but the figures need to be finalised.

Interpol has been contacted in a bid to get Dr. Chalabi and other in absentia defendants extradited to Jordan.

MIDDLE EAST NEWS IN BRIEF

Iraq query on buried soldiers given to U.S.

GENEVA (AP) — The United States was handed an Iraqi request to check reports that U.S. troops used tanks and earthmovers to bury Iraqi soldiers, some of them alive, the International Committee of the Red Cross (ICRC) said Friday. The U.S. ambassador to the United Nations in Geneva, Morris Abram, was summoned to ICRC headquarters Thursday to receive the request from ICRC President Cornelio Sommaruga. Iraq said Tuesday that Foreign Minister Ahmad Hussein Khudayer sent a letter to Mr. Sommaruga urging the ICRC to investigate the reports in U.S. newspapers earlier this month. The Washington Post reported Sept. 12 that tanks and earthmovers of a U.S. infantry division buried thousands of Iraqi soldiers in their trenches, some alive and firing their weapons, during the Gulf war. New York Newsday carried a similar story. An ICRC spokeswoman, Karen Sandler, said Baghdad asked for information on the location and identity of soldiers, which Iraq said were buried in "common graves." The all-Swiss agency passed on the letter under its mandate as a neutral intermediary, she said. Any information from Washington will be given confidentially to the Iraqi government and the families of confirmed victims, she said.

Sudan's newspaper names coup plotters

KHARTOUM (R) — A leading member of former Sudanese Prime Minister Sadeq Al Mahdi's Umma Party was involved in a failed plot to overthrow the military government that toppled him, Sudan's army newspaper reported Friday. Al Guwat Al Musallahah said Abdul Rahman Nughdalla, one of the 102 members of the Constituent Assembly (parliament) representing the Umma Party before Mr. Mahdi's overthrow, was involved in the plot to overthrow the government of Lieutenant General Omar Hassan Al Bashir last month. A retired major general called Mohammad Osmar Khalifa and a retired brigadier, Ali Tigani, led the plotters, it added. Gen. Bashir, who toppled Mr. Mahdi's government over two years ago, disbanded the Umma Party with all other political parties after taking power. Al Guwat Al Musallahah said four other retired army officers and one retired police officer had participated in the planning of the coup attempt but had left the country before they could be caught by Sudan's security services.

Cyprus president bound for New York

NICOSIA (AP) — Cyprus President George Vassiliou will travel to New York next week to address the 46th U.N. General Assembly and discuss the latest developments concerning his divided island with Secretary-General Javier Perez de Cuellar, the Cyprus news agency said Friday. Mr. Vassiliou will leave on Monday and speak at the United Nations on Friday, the news agency said. He will be accompanied by Foreign Minister George Iacovou. Cyprus has been divided since Turkey invaded in 1974 and occupied the northern third of the island after a coup by Greek Cypriots seeking union with Greece.

Iraq accuses U.S. of using U.N. row to justify attack

NICOSIA (Agencies) — Iraq has accused the United States of using the issue of U.N. helicopter flights by weapons inspectors to justify possible military attacks, but stopped short of refusing to comply with U.N. truce terms.

"This controversy is a fabrication because Iraq had previously accepted the use by the U.N. inspection team of helicopters, if this did not threaten Iraq's and the team's security," the Al Jomhoriya newspaper said.

President George Bush said Wednesday he had decided plans to send helicopter gunships to escort U.N. inspectors and to provide airpower as needed for additional cover. Mr. Bush said he was "pleased to see" with Iraq's actions.

But Mr. Bush and other U.S. officials downplayed the sense of a pending armed conflict with Iraq. Meanwhile, a team of U.N. biological weapons inspectors arrived in Baghdad Friday to carry on with the mission of dismantling Iraqi weapons of mass destruction.

"For me it's a normal inspection mission. I have no particular feelings. We have a mission to perform and it's quite normal, it's my third trip to Baghdad," said David Kay, leader of the 45-member team.

President Bush Thursday ruled out full-scale warfare to force Iraq to comply with U.N. ceasefire terms, but added Baghdad "should not miscalculate," his determination to enforce them.

"We don't need lots of troops and to mobilise a whole 'ton of desert storm,' operation," Mr. Bush told reporters.

"What we are talking about is accompanying helicopters with some airpower. And we got a lot of air power there," he said.

Mr. Bush said the escort for U.N. inspection teams would be provided, "if required — and if you asked me whether I thought it would be or not, I'd say 'no.'"

But he said Iraq should not misjudge the resolve of the world community to make it honour the ceasefire agreement.

"There is too much at stake. The international community has too much at stake," he said, adding that what was under challenge was "the very meaning of a new world order; with the U.N. playing an active role in it."

"I am determined that (Iraq) comply with these resolutions. And when a president makes a statement like that, he ought not to do it without being willing to back that up," Mr. Bush said.

Mr. Bush, who is expected to discuss the Gulf and its aftermath in a speech to the U.N. General Assembly next Monday, said, "There's no deadline, no lines in the sand," for compliance.

Also on Thursday, U.S. Defence Department spokesman Pete Williams said the U.S. military would soon send Patriot air defence missiles and launchers from Europe to Saudi Arabia at the request of the Saudis.

The announcement that Patriots would be provided was made by the White House Wednesday. Mr. Williams said he did not know how many would be sent or exactly when, but said American troops would be provided to man the batteries.

Saudi Arabia agreed last year to buy 36 Patriot launchers and their missiles for \$884 million. But those Patriots, which were successful in shooting down Iraqi Scud missiles in the Gulf war, will not be delivered until late in 1993.

Despite the U.N. Security Council's dispute with Baghdad about the inspection, it adopted a resolution Thursday clearing the way for Iraq to sell \$1.6 billion in oil over a six-month period.

Earlier this summer, Mr. Bush also had threatened a military strike against Iraq over its refusal to unveil its nuclear programmes to U.N. inspectors.

Saudi Arabian officials, whose country would be a main base for any new attacks, have been sparse with their public statements on the issue. Once, Saudi defence minister Prince Sultan commented that a fresh strike on Iraq was a matter of decision only by the U.N. Security Council.

Foreign Minister Prince Faisal, on a visit to London, reiterated the same line, saying the U.N. resolutions were the key.

Bahrain denies gunboat firing report from Qatar

BAHRAIN (AP) — Bahrain has denied Qatari reports of gunboat firing incident in their disputed water zone and urged convening of a tripartite committee under Saudi auspices for a settlement of the territorial problem.

A Bahrain Foreign Ministry source told the Gulf News Agency in a late statement Thursday that the Qatari claims of two provocative incidents from the Bahrain side over the past week "not factual in any way."

"There is no truth to the two incidents ... as no Bahraini gunboat fired any shots as the Qatari statement alleged," said the unnamed source.

A tripartite committee representing Bahrain, Qatar and Saudi Arabia should meet to work out a "common formula through which the dispute can be settled through friendly means acceptable to both parties," the source said.

Qatar and Bahrain have been exchanging claims and counterclaims about violations of the disputed territory.

The Qatari Foreign Ministry said Thursday in Doha that a Bahraini gunboat had opened machine-gun fire on a Qatari coast guard vessel on a routine patrol.

The Qatari ministry said the incident occurred Monday at the Qita'at Al-Shajrah and said it was unwarranted. No damages or injuries occurred.

It maintained that two days earlier, a Bahraini military helicopter hovered over a civilian Qatari boat — Al Horreya — as it was conducting marine surveys in the same area and asked it to leave.

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Moroccans demolish Tazmamart prison

RABAT (R) — The Moroccan army has demolished a military prison at Tazmamart in a remote part of the Atlas Mountains and moved the inmates to other jails, diplomatic sources said Friday.

Senior Moroccan sources, who asked not to be named, confirmed that the building, a former military outpost, was "completely razed to the ground several weeks ago."

Army and air force officers and others jailed for their part in abortive military coups in 1971 and 1972 were detained incommunicado in Tazmamart in dungeons, according to Moroccan and foreign human rights organisations.

Diplomatic sources said the prisoners had been transferred to other detention centres, including the central prison in Kenitra 45 kilometres north of Rabat and near the desert town of Ouazzane in the southeast.

Unconfirmed reports said some of the prisoners were in very poor health and receiving medical treatment. Diplomats said this could indicate they may be released.

King Hassan arrested 50 political prisoners in May last year and another 40 last month.

U.S. IMMIGRATION

Haig V. Kalbhan
Attorney-at-Law, Washington, D.C.
Fluent in English, Arabic & French

Mr. Kalbhan, a highly respected corporate and immigration lawyer will be in Amman during the second half of October 1991. Appointments are now being taken. If you are interested in U.S. Immigration based on the new law of 1990, a consultation with Attorney Kalbhan is a must.

The new law eases immigration requirements in some of these areas:

- Investments
- Intra-company transfers
- Highly skilled professionals, researchers & professors
- Family relations in the United States

Call 615358 for an appointment.

Consultation fee - Seventy Five Dollars.

* Investment packages will be available for review.

JORDAN TELEVISION

PROGRAMME TWO
18:00 ... Le Chevalier de Labyrinth
18:30 ... Thalassa
19:00 ... News in French
19:15 ... Carnet de Notes
19:30 ... News in Hebrew
20:00 ... News in Arabic
20:30 ... Totally Hidden VI
21:00 ... Encounter
21:30 ... Classical Music
22:00 ... News in English
22:30 ... Feature Film: "Dead or Alive"

PRAYER TIMES

04:55 ... Fajr
06:14 ... (Sunrise) Dhuha
12:51 ... Dhuhr
15:02 ... Asr
18:52 ... Maghreb
20:06 ... Isha

CHURCHES

St. Mary of Nazareth Church Swed. Luth.
310740
... of God Church, Tel.
632785
St. Joseph Church Tel. 64590.
Church of the Annunciation Tel.
637440.
De la Salle Church Tel. 661757
Terrence Church Tel. 623666

Church of the Annunciation Tel.
625541.
Anglican Church Tel. 625383, Tel.
628543.
Armenian Catholic Church Tel.
771331.
Armenian Orthodox Church Tel.
775261.
St. Ephraim Church Tel. 771751.
Assiout International Church Tel.
683726.
Evangelical Lutheran Church Tel.
811295.
The Church of Jesus Christ of Latter-
Day Saints Tel. 823824, 654532
Church of Nazareth Tel. 675691.

WEATHER

Bulletin supplied by the Department of
Meteorology.
It will be partly cloudy and relatively
cold with a possibility of showers on
hilly areas. Winds will be northwesterly
to moderate to fresh. In Amman it will
be dusty and windy with be northerly
moderate to fresh and seas calm.

Min./Max. temp.
Amman ... 15 / 26
Aqaba ... 22 / 34
Deserta ... 16 / 30
Jordan Valley ... 20 / 33

Yesterday's high temperatures: Am-

JORDAN TIMES DAILY GUIDE AND CALENDAR

sun 26, Aqaba 33. Humidity readings:
Amman 77 per cent, Aqaba 37 per
cent.

USEFUL TELEPHONE NUMBERS

NIGHT DUTY

AMMAN:
Dr. Kayed Halayqa ... 793522
Dr. Abdul Qader Al-Jada ... 696048
Dr. Abdul Wahid Awwad ... 940070
Dr. Walid Samdi ... 683266
First pharmacy ... 661912
Firdous pharmacy ... 778336
Al Asema pharmacy ... 670305
Neirooth pharmacy ... 630671
Al Salan pharmacy ... 636730
Yacoub pharmacy ... 644945
Shameisi pharmacy ... 637660

IRBID:
Dr. Ayman Abul Hajja ... (—)
Al Shamsa' pharmacy ... (273825)

ZARQA:
Dr. Hashan Hiyasat ... (—)
Khalifa pharmacy ... 985417

EMERGENCIES

Food Control Centre ... 637111
Civil Defence Department ... 661111
Civil Defence Immediate ... 630341
Rescue ... 199
Rescue Police ... 192, 621111, 637777
Fire Brigade ... 891226
Blood Bank ... 775121
Highway Police ... 843402
Traffic Police ... 896390
Public Security Department ... 630821
Hotel Complaints ... 603000
Price Complaints ... 661776
Water and Sewerage ... 874767
Complaints ... 874767
Amman Municipality ... 787111
Telephone Information (directory assistance) ... 121
Overseas Calls ... 010230
Central Amman Telephone ... 623101
Ropass ... 641101
Abdull Telephone Repairs ... 773111
Radio Jordan ... 774111
Water Authority ... 680100
Jordan Electricity Authority ... 815615
Company ... 636381
RJ Flight Information ... 08-53200
Queen Alia Intl. Airport ... 08-53200

HOSPITALS

AMMAN:
Hussein Medical Centre ... 813813/32
Khaldi Maternity, J. Amn ... 644281/6
Al-Sheikh Maternity, J. Amn ... 64241/2
Jabal Amman Maternity ... 642362
Malhas, J. Amman ... 636140
Palestine, Shmeisani ... 644171/4
Shmeisani Hospital ... 669131
University Hospital ... 843545
Al-Mashar Hospital ... 66727/9
The Islamic, Abdali ... 666127/7
Al-Ahli, Abdali ... 664164/6
Jaffar, Al-Mashar ... 77101/3
Al-Bashir, J. Amman ... 775112/6
Army, Marika ... 891617/5
Queen Alia Hospital ... 602240/0
Amal Hospital ... 674155

ZARQA:
Zarga Govt. Hospital ... (09)83323
Zarga National Hospital ... (09)900560
Ibn Sina Hospital ... (09)986732
Al-Filous Modern Hospital ... (09)99090

IRBID:
Princess Beama Hospital ... (02)275555
Greek

Jordan to sign agreement on financial aspects of building desalination plant

By Nur Sati

Special to the Jordan Times

AMMAN — Jordan will sign an agreement Sunday with an English and Italian firm on financial aspects of building a plant in Aqaba that would utilize solar energy to desalinate the Red Sea water.

Because the situation in the country has reached the red line and Amman is witnessing a shortage of 90,000 cubic metres of water every day, the project is designed to meet the country's needs for drinking, industrial and agricultural purposes, according to officials.

"The plant would offer a lucrative solution for water using indigenous sources of energy," said Dr. Hani Mulki, president of the Royal Scientific Society (RSS).

The plant is designed as a scientific and economic venture for the southern part of the region. If it is successful the project will be launched in other parts of the Kingdom, he said.

According to the Italian team, Termomeccanica and Cosen, who together with the English team, Desert Consultants Ltd., submitted the report to Jordanian experts, the process for desalting the water is reverse osmosis which is coupled with the production of energy by photovoltaic.

Photovoltaic is the process in which two dissimilar materials pressed into tight contact act as an electric cell when struck by light or other radiant energy. If the free ends of the two materials are connected by a wire, an electric current flows which can be used to measure the brightness of the incident light or to power an electric circuit.

Giorgio Donega, the Italian team's executive vice president, said that "the area in Aqaba is already structured for us and as soon as financing of the project is available we can start this project."

The plant would begin producing desalinated water 12 months after the design is approved, he said.

A seminar organised by the RSS Wednesday focused attention on this issue. Attending were representatives from the Ministry of Energy and Mineral Resources, RSS staff and the Italian and British firms. Among the discussions was the technical aspect of the plant and its feasibility.

"Desalination alone is feasible," Dr. Mulki said. "It has been used for a long time in the Gulf and Saudi Arabia, but the economic feasibility is something we have to look carefully into."

The cost of the plant is not yet known but Dr. Mulki said, "We have to estimate the cost of the water and calculate what the returns of the project is in totality."

The Jordanian team is looking at the possibility for a B.O.T. (built, operate and transfer) financing, where the consortium will build the equipment, run it for a few years and after that transfer it to the government. The cost will be made public once the financial aspects are discussed with the RSS.

Desert Consultants President Jean Paul Ains said that there will not be any negative impact on Jordan in terms of the environment. "Solar energy is the cleanest form (of energy). It will not pollute the atmosphere especially the water."

Desert Consultants is a company that has two world patents for pollution monitoring, he said. "Apart from designing projects, consultancy on water and its monitoring, we monitor the atmosphere, soil, meteorology and all types of water," Mr. Ains said.

As far as operations are concerned, it is one of the easiest plants to operate because it has a static power supply, "Mr. Donega said.

The plant will supply about 450 cubic metres of water a day. It will operate during the daylight but it is also possible to supply energy with diesel generators which will allow the production of water during the night if needed.

The project, which will address one of the most pressing problems in the Kingdom, was received with interest on the part of the participants. This Sunday, the English and Italian firms will hold discussions with the RSS to come to an agreement and sign the protocol of the agreement in the financial aspects of the project.

There were many discussions on the pros and cons of supplying water through pipelines of long distances and water through photovoltaic or conventional systems, Mr. Ains said. "This system, once proven, will be the saving grace of many towns in Jordan," he said.

Desert Consultants have already built similar projects in Columbia, Jamaica, Ethiopia, Mauritania and Tanzania.



His Majesty King Hussein and other officials pray at King Abdullah Mosque.

King attends prayers on anniversary of Prophet Mohammad's birthday

HOLY OBSERVANCES — The Royal Court Friday announced that in received cables of good wishes addressed to His Majesty King Hussein from representatives of various public and private organisations and senior government officials on the anniversary of the Prophet Mohammad's birthday.

Among those sending cables were the prime minister, speakers of Parliament, the Army chief of staff, the chief justice, heads of security, civil defence and intelligence departments.

On the eve of the anniversary, King Hussein, accompanied by His Royal Highness Crown Prince Hassan and other members of the Royal family, attended a religious ceremony held at the King Abdullah Mosque in Amman.

Preachers and scholars, including Minister of Awqaf and Islamic Affairs Raef Nijem, made addresses outlining the importance of the anniversary for the Muslim nation and urging worshippers to adhere to Islamic teachings that call for unity. The speakers greeted the Palestinian people under Israeli occupation and praised their heroic steadfastness in the face of Israeli repression.

As part of the observances, all government institutions and public organisations will remain closed today.

Health team begins study of malnutrition in Kura District

DEIR ABI SAID (Petra) — A team of health workers from the Ministry of Health, the United Nations Children's Fund (UNICEF) and the Department of Statistics has embarked on a survey on the health condition of children under five years of age in the Kura District near Irbid.

According to the director of the Health Education Department at the Ministry of Health, Hani Shamout, the survey seeks to identify the way children in the town are being fed, their growth and whether the food offered to the children is sufficient and includes milk.

The team also will provide guidance to the mothers on healthy ways of feeding their babies so as to prevent diseases related to malnutrition, said Dr. Shamout, who heads the team.

Should negative aspects appear in the study, the Health Department in the district of Kura will have to deal with the situation and find proper solution, Dr. Shamout said.

The department director in Kura, Jamal Shamman, said that the survey will also give indications about the success of the national vaccination campaign being conducted in the district. He said that the survey was part of a comprehensive study being conducted by the Health Ministry in various provinces.

According to former UNICEF Regional Director Richard Reid, Jordanian children are likely to fall victim to malnutrition. He said that early signs have led experts to believe that malnutrition may be on the increase as a

result of economic difficulties the country is facing due to the Gulf crisis.

He told the Jordan Times in an interview before the campaign started late last year that whenever a country enters a time of hardship, malnutrition is always a companion.

Coinciding with the campaign in the Kura District, the Health Ministry said that despite the consequences of the Gulf crisis, birth rates in Jordan are considered among the highest in the world.

"The ministry quoted a statistical Bulletin issued by its Planning Department as saying the majority of people in Jordan are between 15 and 50 years of age. Mortality rates have declined sharply, especially among infants thanks to the improving quality of health services, according to the ministry."

It said that deaths among the population from infectious diseases now stand at 7 per cent and that natural population growth stands at 3.4 per cent. Life expectancy has risen from 54 to 67.

The figures and statistics were released on the eve of International Child Day, which is observed in October by several organisations in Jordan.

A committee entrusted with preparing for the Kingdom's celebrations of Child Day is making arrangements for week-long activities. The Noor Al Hussein Foundation (NHF), which is spearheading the celebrations, said that the events to be organised in various provinces will start on Oct. 7.

By a Jordan Times Staff Reporter

AMMAN — An invitation card to a wedding ceremony in Irbid has created a social controversy among a wide sector of the public and consternation to Jordanian families, prompting religious people as well as the governor of Irbid to intervene to prevent a scandal.

The invitation card announced the wedding of Amin, son of Sheikh Yousef Al Jamrah from Irbid, to two brides at the same time. The bridegroom, whose father is a wealthy businessman, is only 19-year-old while the brides to be are 18 and 21-years old, respectively. Sources close to the family said that the bridegroom was still doing national service and is not involved in any occupation yet.

According to the invitation card, the wedding was scheduled for Friday in Irbid and original arrangements for this strange wedding could have gone on unhindered had it not been for a local journalist and a women liberation activist, Zuleikha Abu Risha.

Ms. Abu Risha told the Jordan Times that she lodged a strong protest with Chief Islamic Justice Sheikh Mohammad Mheilan over this matter, not-

ing that such a marriage was totally in contradiction with religious and social norms in the Kingdom.

Sheikh Mheilan said that although Islam allows a man to marry more than one woman and he can conclude written contracts for a wedding to those women, he cannot consummate the marriages at the same time.

Ms. Abu Risha said that Sheikh Mheilan called the governor of Irbid, Fayez Abbadi, to interfere and arrange for the wedding to have different dates.

Role of zakat committees and ways of collecting the funds debated

AMMAN (Petra) — The Ministry of Awqaf and Islamic Affairs' councils and committees held a meeting Thursday under the chairmanship of His Royal Highness Crown Prince Hassan to discuss ways of activating the role of zakat (alms for the poor) committees.

Participants in the meeting, which was held at King Abdullah Mosque in Amman, were split over the issue of enacting a binding zakat law which will make it compulsory for every able Muslim to pay zakat to the government, which will distribute the moneys to the poor.

One group held the view that the law should be enacted immediately since zakat is one of the fundamental requirements of Islam.

They called on the ministries of Finance, Social Development and Awqaf to coordinate amongst themselves in implementing the law after it is enacted and suggested that it undergoes several amendments before being presented to the Lower House of Parliament for approval.

The other group rejected this view and proposed enacting the law gradually because of the many obstacles standing in the way of its immediate implementation.

Prince Hassan criticised the methods followed by zakat committees in collecting funds and said these methods will prove ineffective if it was made obligatory for every Muslim to pay zakat money.

"When we say that Islam is fit for every time and place, we should find a way to achieve the goals of zakat in accordance with this view," the Crown Prince said.

According to His Royal Highness, one of the ways to achieve this goal is by making people who depend on the zakat fund productive members of the society "and this could thus serve our goal of reaching self dependence."

Another obstacle that stands in the way of enacting the law, Prince Hassan added, is the fact that articles included in a draft law calling for making zakat compulsory do not introduce solutions to problems that might arise in case it is enacted.

Awqaf and Islamic Affairs Minister Raef Nijem, who attended the meeting, said Jordan was one of the few states which implemented zakat law after it was enacted by the late King Abdullah Ben Al Hussein in 1944. This law, the minister said, had undergone several amendments and was replaced by another law which has been in effect since 1988.

The shortcomings of the current law, according to Mr. Nijem, is the fact that it is not binding. He added that this law does not organise ways of collecting and distributing zakat money in a proper way.

The minister stressed the need for the state to take over the process of collecting and distributing the zakat funds in accordance with the teachings of the Holy Koran.

In another development, Social Development Minister Awni Al Bashir said that the ministry has allocated JD 500,000 to be distributed to the needy before the end of 1991.

In a meeting for directors of several of the ministry's departments, Dr. Bashir said the aid will be distributed to needy families on monthly basis.

He called directors of the department to study the cases of the needy and to conduct field surveys and then submit the final results to the ministry, which will decide on the amount of aid.

Participants in the meeting stressed the need to support charity societies by the ministry to activate its role in supporting the official sector in this regard.

AMMAN (J.T.) — The United Nations Economic and Social Commission for Western Asia (ESCWA) has launched its regional operations from Amman on a temporary basis due to the difficulties involved in maintaining such operations in ESCWA's permanent headquarters in Baghdad.

ESCWA's Executive Director Tayseer Abdul Jabbar and Foreign Minister Abdullah Ensour signed the document, which provides for privileges and immunities for the office and its international employees in Amman.

Under the agreement, the Jordanian government gives its consent for such facilities in order to enable the ESCWA office to carry out its duties and activities.

U.N. Secretary General Javier Perez de Cuellar had earlier instructed ESCWA to gather all its employees and establish this temporary office in Amman by the end of August 1991.

ESCWA had established a liaison office in Amman in October 1990 following the outbreak of the Gulf crisis which prevented the office in Baghdad from undertaking its operations and services in the region.

According to Dr. Abdul Jabbar, ESCWA will be serving the Western Asian region from Amman and will organise meetings related to its activities. So far, ESCWA has organised several meetings related to the protection of the environment in the Arab region.

Upon the conclusion of the agreement, Dr. Abdul Jabbar announced the appointment of several regional consultants on the environment and water resources to work for the ESCWA office in Amman. Dr. Abdul Jabbar said that environmental and water issues are one of the priorities of his office's activities, which are carried out in Jordan, Syria, Iraq, the Gulf states, Yemen, Egypt, Lebanon and Palestine.

Despite lack of support, Jordan continues restoration project of holy shrines

AMMAN (Petra) — Jordan has spent \$6 million on the reconstruction and repair of the Dome of the Holy Rock and the Al Aqsa Mosque in Jerusalem and has received very little donations for this cause from Islamic countries, according to His Royal Highness Crown Prince Hassan and Minister of Awqaf and Islamic Affairs Raef Nijem.

The Crown Prince and the minister focused attention on the need to raise sufficient funds for the project in Jerusalem and the need for Islamic countries to realise the facts about the situation in Jerusalem under occupation rule. Addressing a meeting con-

vened by the Ministry of Awqaf and Islamic Affairs, the Crown Prince said that the Dome of the Holy Rock is exposed to environmental effects which cause extensive damage to the structure. There is a need for Muslims to adopt a strategy to deal with this issue as soon as possible, the Crown Prince added.

Jordan's appeals for the Muslim world to provide assistance to the Kingdom to carry out the project repairs drew very little response but Jordan has continued its efforts to protect the shrine, which was exposed to arson following Israel's occupation of the Holy City.

All Islamic issues, including the repair of the Dome of the Holy Rock, should be dealt with at the coming Islamic summit to be held in Dakar in November, the Crown Prince said.

Mr. Nijem said that the repair and restoration work at Al Aqsa Mosque and the Dome of the Rock started in 1970. Jordan has spent \$6 million while other Muslim countries' donation over the past two decades barely reached \$1.5 million.

The minister said that Jordan's efforts to raise donations for the project drew very little response from other Muslim countries.

Jordan and U.S. government agree on \$31m financing package

AMMAN (J.T.) — A series of agreements totalling \$31.1 million in new funding for the Kingdom were signed Thursday by Minister of Planning Ziad Fariz, U.S. Ambassador Roger G. Harrison and William T. Oliver, director of the U.S. Agency for International Development's (USAID) Amman office.

The agreements provide financing for one new project and four ongoing projects and programmes supported by the U.S. Government in Jordan.

The new project is known as Family Health Services and will assist Jordan in strengthening its primary health care system with a focus on mothers and infants. Initial financing provided for this project today totals \$3.5 million.

A major new tranche of funding, \$21.7 million, is being added to the ongoing U.S. Commodity

Import Programme. This programme supports Jordan's need for foreign exchange by financing imports required from the U.S. market. Diners generated by the programme are used to support other development activities in the country.

Other projects receiving financing include the Loan Guarantee Project for Small Enterprise Development (\$3 million), the Technical Services and Feasibility Studies Project (TSFS) (\$1.9 million) and the PETRA Project (\$1 million).

The Loan Guarantee Project, being implemented through the Industrial Development Bank, is designed to support the commercial banking sector's efforts to fund small business projects throughout the Kingdom. TSFS helps the Government of

Jordan to finance feasibility and other technical studies needed to analyze new development activities for Jordan. Ongoing work under this project includes a study of the expansion of the wastewater treatment plant at Al Samra.

New financing for PETRA will support new production and employment activities in Jordan. Currently, major PETRA actions are underway with many of Jordan's private voluntary societies and through the country's development's banking institutions.

Provision of these new funds complements a grant of \$27 million for the importation of corn and sorghum made earlier this year and marks the full resumption of U.S. development assistance to Jordan, which was interrupted by the Gulf Crisis.

Police searching for two alleged members of illegal organisation

AMMAN (J.T.) — Police Friday continued their search for two fugitives sought for their alleged role in the secret organisation "(Prophet) Muhammad's Army."

Judge Fauri also accused the two of collecting funds for an unauthorised organisation. The judge ordered security forces to arrest the two and deliver them to court. He asked the two to surrender to authorities or face trial in absentia.

The judge, Colonel Yousef Fauri, charged the two men with attempting "to change the constitution of the country through unlawful means." He also charged them with "the possession of unlicensed arms for illegal use," and as being members of an illegal organisation, "(Prophet) Muhammad's Army."

The 16 other defendants are being detained at Zarqa Military Prison awaiting trial. Earlier this month, 82 people were released after an investigation revealed they had only kept arms but had no intention of using them.

A Parliamentary committee accused the security authorities of torturing the detainees but the government has denied the charges. The trial of the defendants is expected to start next week. No photographs of the two fugitives were released.

Joint Jordanian-Yemeni committee discusses ways of speeding up trade procedures

AMMAN (J.T.) — Jordan and Yemen have agreed to speed up procedures related to import-export operations between the two countries within the framework of an agreement on trade and endorsed a set of recommendations which will be submitted to the Higher Joint Jordanian-Yemeni Committee meeting due to open in Amman Sunday.

The agreement was reached by the Joint Preparatory Committee chaired by Minister of Industry, Trade and Supply Ali Abul Ragheh and his Yemeni counter-

part, Fadel Musen, and announced at the conclusion of a two-day meeting in Amman.

The Yemeni minister said in a statement that Yemen and Jordan maintain strong ties and are determined to launch co-operation projects in all fields, particularly agriculture, construction and oil.

He said that Yemen could benefit from Jordan's expertise in technology, university education, hospitals and factories.

Referring to the return to Yemen by expatriates in the wake of the Gulf crisis, Mr. Musen said

that his country had sustained losses estimated at \$2 billion in lost expatriate remittances. Yemen, he said, is now struggling to overcome the consequences of this crisis.

According to Mr. Abul Ragheh, the two sides reviewed various fields of prospective co-operation in preparation for the Sunday meeting. The higher committee meeting is to be co-chaired by Prime Minister Taher Masri and his Yemeni counterpart, Haider Abn Baker. Al Atras, who is expected here today.

HOME NEWS IN BRIEF

King congratulates Malta

AMMAN (Petra) — His Majesty King Hussein Friday sent a cable to the president of Malta to congratulate him in his name and behalf of the Jordanian government and people on Malta's national day. King Hussein wished the president good health and the Maltese people further progress and prosperity.

Delegation leaves for Indonesia

AMMAN (Petra) — Speaker of the Lower House of Parliament left Thursday for Indonesia as head of a Jordanian parliamentary delegation. In its week-long visit, the delegation will hold talks with Indonesian officials on ways of enhancing bilateral co-operation.

Minister heads for Morocco

AMMAN (Petra) — Public Works and Housing Minister Saad Hageel Saoror left Amman for Morocco Friday to take part in the 19th International Conference which will start in Marrakech Saturday. The week-long conference will discuss working papers dealing with road projects in various states of the world and ways of designing and maintaining roads.

WHAT'S GOING ON

- ★ An exhibition of naive painting from Germany at Abdul Hameed Shomran Foundation Gallery.
- ★ Exhibition of paintings by Omar Bawal at the French Cultural Centre.
- ★ Plastic art exhibition by Nidal Jamous at the Royal Cultural Centre.
- ★ Exhibition of ceramics by Iraqi artist Saleem Al Nouri at Alia Art Gallery.
- ★ Exhibition of paintings and ceramics by Iraqi artists Nadhim Muhsein, Haim Mahdi and Haider Al Masrouf at Hotel Jordan Intercontinental.
- ★ German film entitled "Maison" (English subtitled) at the Goethe Institute — 8 p.m.

Jordan Times

An independent Arab political daily published in English by the Jordan Press Foundation. Established 1975

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Choice to be made

AS U.S. SECRETARY of State James Baker's latest effort to iron out the remaining differences between the Arab and Israeli side comes to an end, the focus of the world's attention is once again on the Palestinian side. With the initial signals from the PLO suggesting a rejection of the U.S. assurances on the projected peace talks as unsatisfactory, there were fears that the Palestinians would boycott prospective peace negotiations and dash all hopes attached to the U.S.-brokered peace process.

Fortunately, the early reports about the negative stance of the PLO turned out not to be the final word. The decision to dispatch Dr. Hanan Ashrawi to Amman to seek additional clarifications from Mr. Baker brought new hopes to the ongoing search for a workable framework for the upcoming peace parley acceptable to all the parties concerned. His Majesty King Hussein struck a note of optimism at his press conference Thursday with the visiting secretary of state when he stated that in the final analysis common sense would prevail and the Palestinians would not let this last opportunity to salvage what can be salvaged slip away. King Hussein was clear in his assessment that supreme national responsibility dictates that the Palestinians do not miss this chance and abandon ship so late in the process even though the terms and conditions of the peace conference may not be perfect for the Arab side. Mr. Baker was probably right to say that the Palestinians would have the most to lose from not participating in the peace talks because they have the most to gain from any positive outcome of the negotiations. This assessment corresponds well with Palestinian leader Yasser Arafat's own thinking that without early peace negotiations, the Judaisation of the West Bank and Gaza Strip would become so complete that nothing would be left to salvage or talk about if Israel gets its way unchecked.

The odds are in favour of the Palestinians agreeing to join the peace talks in October or November. Of course they have to weigh their options very carefully before they or any other party accept or reject the proposed peace negotiations that aim to bring peace and justice to the peoples and countries of the Middle East. The fact that Washington is openly and clearly committed to U.N. Security Council resolutions 242 and 338, however, is a sufficient assurance that Israel will have the U.S. with all its weight to grapple with if the Israelis opt for continued obstinacy and recalcitrance. It could not have escaped the attention of the PLO that the American commitment that these resolutions apply and will apply to the entire occupied territories, including the Golan Heights, is already sending shudders across the Israeli establishment and causing consternation and anxiety throughout the political landscape in Israel. The bottom line is that without the peace process, the Israelis would be given literally a free hand to do what they like with the occupied territories and to control the future of the Palestinian people inside and in the diaspora. We certainly do not want to sound like the prophets of doom on this one, nor do we want our Palestinian brothers to be coerced into doing something that goes against their national interest. But the facts speak for themselves, and all we can say that the Palestinians must be allowed the ultimate choice.

ARABIC PRESS COMMENTARIES

AL RA'I Arabic daily voiced astonishment and dismay at Washington's fresh threats against Iraq and preparations for further air strikes against Iraqi towns unless Baghdad complies with the wishes of the U.S. administration and destroys its nuclear and biological weapons. The paper said that the threats, which coincide with U.S. Secretary of State James Baker's seventh tour of the Middle East to bring about a Middle East peace settlement, are causing real concern among the Arab masses. As there is no real cause for issuing such threats at this moment, because Iraq has displayed total cooperation with the U.N. teams searching for mass destruction weapons, there can be only one interpretation, and that is the U.S. seeks to subdue the Arab will and to force the other Arabs to accept the U.S.-Israeli alliance's terms for a settlement at the Palestinian question, the paper argued. It said that Washington had directed Mr. Baker to embark on his new mission to serve as a cover for America's aggression against Iraq which, once degraded and subdued, would render the other Arabs helpless and accept the mandatory terms and conditions of their enemies. Should the Arabs refuse to accept the humiliating terms and conditions, said the paper, Washington would wash its hands of the whole affair and accuse the Arabs of obstructing a peaceful settlement. No one can believe Washington's claim that the peace process is progressing at a time when it prepares for a new aggression against Iraq, said the paper. It said peace is indivisible and a new aggression can only smear Washington's hands with Arab blood.

A columnist in Al Ra'i Arabic daily has called for the formation of a women's political party which can defend women's causes and about justice and equality within the Jordanian society. Zuleikha Abs Rishah said that she had read various ideas offered by politicians preparing for the formation of political parties in Jordan and had found that they differ in objectives and cannot serve the interests of women. It is true that the country is full of enlightened and educated women struggling to achieve liberation for women in Jordan, and it is true that the Jordanian society is full of men who are sympathetic with the women's cause, but she said, a political party can best represent women's interests, and defend their status in society. The writer called on men to join this political party on equal footing and urged women to gather and put this idea into force. Women liberation, she said, should mean that women must not serve as second-class persons. She said that a women's political party can lead the way towards fighting off all forms of social backwardness and promote socio-economic development in the true sense of the word.

Bush's harsh language highlights Israel's divisions

By Marcus Eliason
The Associated Press

JERUSALEM — President George Bush's harsh words to Israel are provoking reactions that highlight the deep split in this country over fundamental issues like peace and settlements.

Hard-liners say Mr. Bush's attitude proves the United States is not playing honest broker in the Mideast peace process, and a few have gone so far as to call him anti-Semitic.

But Israeli moderates mainly fault their government for defying Mr. Bush's wishes and building more settlements on occupied Arab land.

Most Israelis are hurt by Mr. Bush's insistence on delaying loan guarantees needed for absorbing Soviet immigrants and by other unfriendly remarks he made at his news conference last week in Washington.

However, while criticism from outsiders often tends to bring Israelis rallying round the flag, Mr. Bush is getting more support and sympathy here than might have been expected, given the powerful emotions in play.

"The government will have to compromise," Abba Eban,

Israel's dovish former foreign minister, wrote Monday in the daily Maariv. "From the outset of this crisis, in the American view, settlements have been the heart of the matter."

Speaking for the Hawks, Uzi Landau claimed Mr. Bush's grand design is to force Israel back to its winding, constricted pre-1967 borders.

"We will remember this administration's shameless and fickle policy," Mr. Landau, a member of parliament for the ruling Likud Bloc, wrote in the daily Yedioth Achronoth.

Ever since Israel captured the West Bank and Gaza Strip in the 1967 Arab-Israeli war, opinion has split roughly down the middle between those who believe the territories are Israel's to keep by God-given right, and those who say at least some land should be traded for peace.

The same division of opinion characterises reaction to Mr. Bush.

One camp, represented by Mr. Landau, holds that if Israel yields to Mr. Bush, it will signal to the Arabs that they can extract major concessions before even going to the Mideast peace conference planned for next month.

The opposing argument holds

that Israel caused the rift by pursuing the settlement policy, and that it must do everything to heal the rift, because it cannot afford to alienate its chief military and financial backer.

Prime Minister Yitzhak Shamir, for all his passionate nationalism, appears to have opted for a truce. This explains his restrained reaction to Mr. Bush's remarks, and the haste of senior government officials and other respected Israelis to squelch the anti-Semitism charge levelled against Mr. Bush.

That charge was made Sunday by Rehavam Zeevi, a far-right member of Mr. Shamir's cabinet, and immediately repudiated by Defence Minister Moshe Arens.

Zvi Rafiah, a consultant on U.S. affairs and a former diplomat in Washington, said he detected nothing anti-Semitic in Mr. Bush's statements. "It serves no useful purpose to cry anti-Semitism. It is damaging," he said.

Other commentators recalled the efforts Mr. Bush has put into winning the right of Soviet and Ethiopian Jews to immigrate to Israel.

"I think we have to reach an understanding. Being so over-dependent on the United States, we

have to take their views into consideration," Mr. Rafiah said in an interview.

Another indication of Israel's eagerness to calm the waters was a decision Monday by parliament's Finance Committee to freeze a \$6.4 million grant to Jewish settlements in the occupied territories.

"We thought that our enemies might use (the grant) as a weapon to widen the rift with the United States, so I saw fit to postpone it," said committee Chairman Rabbi Zeev Feldman.

The huge amount of newspaper space and radio time devoted to interpreting Mr. Bush's hostility suggests Israelis are having difficulty coming to terms with a president who seems much less friendly than his predecessors.

"President Bush's body language and hand movements, along with his harsh words, evidenced a hostility which Israelis are having a hard time explaining," said Dore Gold, an analyst of U.S.-Israeli affairs at Tel Aviv University's Jaffee Centre for Strategic Studies.

"I believe Bush plays hardball with grenades," Mr. Gold said in an interview. "He is doing to Israel no less than what he did to Michael Dukakis."

EC backs off but sheds weakling image

By Andres Wolberg-Stok
Reuters

THE HAGUE — Although it decided not to intervene in Yugoslavia, mere contemplation of the use of force may help the European Community lose its weakling image.

"It's like your first try at a seven-foot jump," said a diplomat. "You know you're not going to make it the first time round, but you still try."

The 12-nation block, frustrated and split after three months of failed efforts to stop the bloodshed in Yugoslavia, decided on Thursday to shelve proposals for a peacekeeping force. It also said it would not even consider military intervention to separate the warring republics.

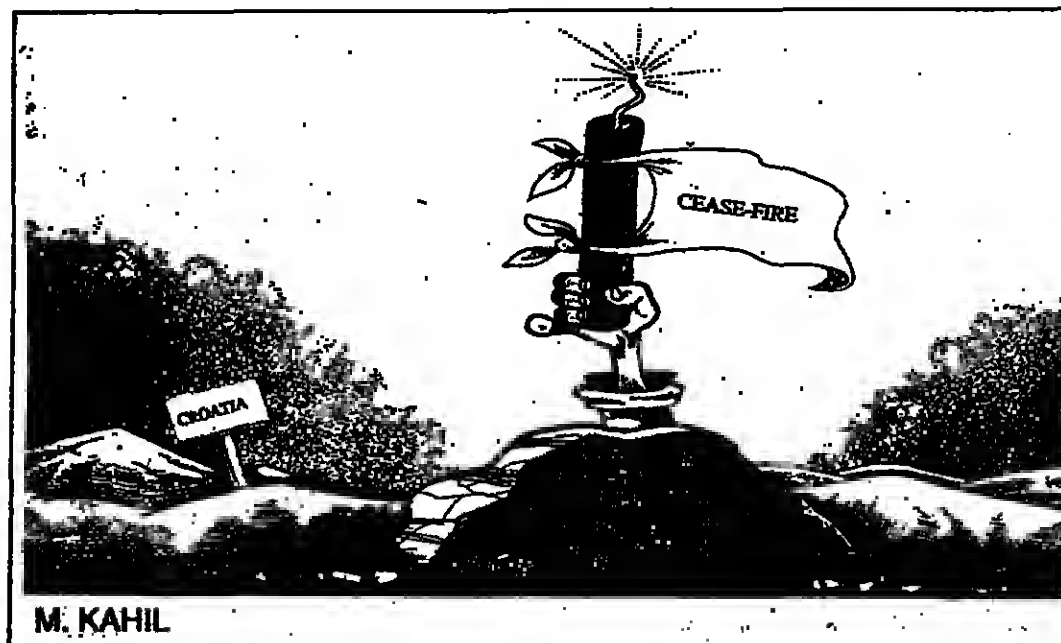
But the discussion — the first serious weighing of military options in the EC's 34-year history — was a milestone in the community's main internal debate.

This hinges on whether economic success must be backed by a strong common foreign policy, and if this in turn requires the option of military force as a last resort.

Jacques Delors, president of the EC executive, the European Commission, and other EC "federalists" have argued that without this the community would remain a political dwarf.

"I'm very anxious that we shouldn't exaggerate what we can do," British Foreign Secretary Douglas Hurd said after blocking almost single-handedly a powerful Franco-German bid to organise a peacekeeping force.

Dutch sources said after the meeting of EC foreign ministers that Britain prevailed because Mr. Hurd's opponents could not



beat down his chilling list of the practical dangers involved in sending a force.

For those like France who have spent months arguing for an EC defence role, the outcome of the talks in the Hague was a public relations disaster, following a two-day publicity blitz by President Francois Mitterrand in favour of the German-backed French plan.

"The EC prairies will be laughed at by the Americans now," said Martin McCusker, a Brussels-based defence expert at the North Atlantic Assembly. "I don't think it will have done the advocates of rapid moves towards an EC defence identity any good."

French Foreign Minister Roland Dumas, breaking with tradition, kept French journalists waiting for hours for a briefing

that never materialised — a move some interpreted as a discreet exit after a resounding political defeat.

"France didn't score once," one EC diplomat said. "Dumas never came out of his hole."

But his German colleague Hans-Dietrich Genscher, left to explain the joint bid and its collapse, said on Friday in Bonn that he thought the outcome would turn out to be a boost for EC political union in the long run.

The EC turned to the Western European Union (WEU) — a dormant defence group of nine EC nations currently chaired by Germany — as the vehicle for its first military experiment.

Despite Mr. Hurd's arguments that it is easier to send in troops than to pull them out, and that the scale of involvement at the start is always dwarfed by the

scale at the end, the EC asked the WEU to study ways of backing up some 200 EC monitors in Croatia.

Officials admitted this might lead to armed WEU escorts for the unarmed EC observers in the field.

"That is still a step in the same direction," one diplomat said. "Same street, different number."

Although the Netherlands was the first to suggest the issue had to be discussed, it appeared to lean, cautiously towards Britain's position of reluctance.

With Denmark and Portugal openly opposing the peacekeeping idea, the final lineup was almost a mirror image of EC governments' positions during nine months of treaty talks on whether and how to develop a formal common foreign policy.

U.S. wrestles with new demands for foreign aid

By Alan Elsner
Reuters

WASHINGTON — For fighting drug trafficking in Latin America to relieving famine in Africa to building market economies in the Soviet Union and Eastern Europe, demands on the U.S. budget are growing beyond Washington's ability to respond.

With the cold war over, the U.S. economy still struggling to climb out of recession and a massive budget deficit to contend with, Washington finds itself having to approach the whole question of foreign aid in new ways.

"The government really has to come up with compelling new arguments for foreign aid. So far, it hasn't really made the case to the American people," said James Weaver, an expert in international economics with the American University.

"Aid used to be conditional on anti-communism. Now, it's more a question of how countries treat their own people and what they're doing to reform their economies," Mr. Weaver said.

Funds are limited even for reform-minded nations. The United States wants newly emerging nations in Eastern Europe to succeed in throwing off the shack-

les of a failed command economy but seems to have little ability to help.

When U.S. Secretary of State James Baker visited the Baltic republics of Latvia, Estonia and Lithuania last weekend, he was able only to come up with a promise of trade benefits and a modest \$14 million in aid to be shared between the three. He had only \$6 million on offer when he visited Albania in June.

The question of aid priorities has come into new focus since the failed Soviet coup, with Washington under increasing pressure to increase its contribution to the Soviet Union both to stave off hunger and help reform the economy.

Former Soviet Foreign Minister Eduard Shevardnadze told Mr. Baker last week his country needed "astronomical amounts of money."

But are hungry people in the Soviet Union more deserving than hungry people in Sudan and Ethiopia?

"You would have to be an ogre to be against humanitarian aid. But I am reluctant to immediately accept the idea that the Russian Federation, say, should come in ahead of Ethiopia and Bangladesh," said Judy Shelton of the

Hoover Institution.

"Now, there is true need, those people are starving."

Referring to the massive aid programme that went to Europe after World War II to help rebuild war-ravaged economies and stem the spread of communism, one European diplomat said: "Everybody is coming to the West with totally unrealistic expectations, hoping for a new Marshall plan. But times were very different then. The United States was able to divert billions of dollars without feeling the pinch. That is totally inconceivable now," he said.

To make matters even more difficult, some 85 per cent of the U.S. aid budget, which last year totalled \$14.7 billion, is earmarked by special interest groups in Congress, headed by the powerful pro-Israel lobby. Israel automatically got \$3 billion and Egypt, \$2.25 billion. Greece and Turkey also received sizeable chunks, leaving less than \$1 billion for Africa.

Now Israel wants even more and is engaged in a furious lobbying effort to gain U.S. loan guarantees worth \$10 billion to help resettle Soviet Jews.

The demands on the U.S. aid budget are such that when, \$258 million originally intended for

Pakistan was suspended because of its nuclear programme, several offices within the State Department immediately pitched in for a slice of the pie.

Officials said some of the money seemed likely to go to the newly independent Baltic republics, some to Mongolia to help in the transition to a market economy, some to Angola to help fight drug traffickers allied with Marxist Shining Path guerrillas — the list itself is an indication of the new demands on Washington.

At the same time, countries like Zaire and Pakistan, which received aid because they were strategically important to the U.S., will be losers in the new world order — Pakistan because it defies Washington over nuclear arms and Zaire because of its human rights record.

Ernest Graves, who advised a U.S. government commission on aid in the 1980s, said assistance had to be made contingent on specific programmes by recipient governments.

"If we don't see these governments coming around and doing what's necessary, we should hold off until they do," he said.

THE WEEK IN PRINT

Conflicting views on U.S. positions

JORDANIAN newspapers in the past week tackled America's ongoing efforts for a settlement of the Arab-Israeli conflict, U.S.-Israeli relations, expatriates issues and a number of domestic affairs.

Al Dstour daily said that Jordan welcomed James Baker's efforts because the kingdom has felt that the U.S. administration was indeed serious about a just and durable settlement. Unlike the previous U.S. moves, this time the U.S. administration is serious about the need to end the conflict on the basis of U.N. Security Council resolutions, the paper said in editorial.

Salameh Ekour who writes for Sawt Al Shaab said that a peaceful settlement based on international legitimacy is now feasible and viable now that the U.S. administration is

freeing itself from the influence of the Jewish lobby and feels strong enough to conduct business with both the Arabs and the Israelis after dealing a defeat on to the Arabs by crushing Iraq's military force.

But a columnist in Al Ra'i warned the Arabs against trusting the United States which, he said, remains an ally of Israel helping the Jewish state to attain its interests.

Fahid Kawa said that Mr. Bush and Mr. Shamir are two faces of the same coin and both are trying hard to impose their hegemony on the Arab area. The writer said that the United States which has killed the innocent people of Iraq cannot harbour good intentions towards the Arabs.

A columnist in Sawt Al Shaab said that Jordan's official stand with regard to the peace settlement was totally different from that of the Jordanian parliament. Abdul Majid Nusair said that Jordan's parliament has refused Washington's plan for a settlement considering it as a capitulation to the enemy, but the Jordanian government did otherwise. He said that the weakness of the Jordanian official stand stems from the fact that the country is economically feeble and is plagued with unemployment while the Arab port continues to be exposed to a siege strangling Jordan's trade with other nations.

Another columnist in Al Ra'i believed that Jordan should demand from the United States to provide guarantees for a \$5 billion loan needed to absorb the refugees and expatriates evicted from Kuwait. Fahd Al Faneck said that if the United States and the Western countries are generous enough with Israel providing it with means to absorb the Jews, Jordan is entitled for help because it is a main victim of the Gulf crisis. He urged the government to submit the request for the guarantees to the U.S. government as soon as possible to balance Israel's request to Washington.

Bader Abdul Haq said that the Arabs have many reasons not to trust Mr. Bush and his administration's manoeuvres. The writer said that the Arabs who watched the U.S. destroy Iraq's military power, maintain an embargo on Jordan and Iraq to starve their population and continue to provide the necessary means for enabling Israel to set up Jewish settlements feel Washington can by no means be on the side of the Arabs in their quest to regain their national and legitimate rights.

A writer in Sawt Al Shaab said that the issue raised between Israel and the United States about providing guarantees to the Israelis for a \$10 billion loan is part of a deceptive show designed to improve the American government's image before the Arabs and pave the way for Washington's domination on Arab oil and other wealth. Arafat Hijazi said that the U.S. had committed its own troops and offered other services in the Gulf war in order to please Israel and protect its interests and Washington had ordered Kuwait to provide \$13 billion to Israel during the Gulf war. These and others are only signs that the U.S. administration is keen on protecting Israel's interests and not those of the Arabs, said the writer.

Washington can by no means refuse Israel's request for loan guarantees under any circumstances, he added.

Another columnist agreed with Mr. Hijazi and said that the United States which planted Israel in the midst of the Arab World to serve as a policeman cannot refuse the Jewish state's request for loan guarantees. Sultan Al Hattab said that as long as the U.S. administrations continue to condone Israel's practices and support its policies and its plans to settle the Jews in Arab land, there could be no chance for Washington to turn down Mr. Shamir's requests. Furthermore, he said, Mr. Bush and his administration cannot withstand the Zionist lobby's pressure and would soon have to give in.

Taher Al Udwan who writes for Al Dstour urged the Jordanian government to seek an end to the current embargo imposed on the Aqaba port. He said that this matter is far more important than securing a memorandum on America's intentions with regard to the peace process. The writer said no one could believe the United States' claims about peace if it continues to starve Arab people and enable the Israelis to maintain their aggression.

The writer said that the United States embargo on Aqaba-bound shipping is creating numerous socio-economic problems for the Jordanian people, and the government should take speedy action now to put an end to such practice.

Another columnist took on the same topic and said that Washington's embargo on Aqaba was a form of punishment for Jordan for condemning America's aggression on Iraq. Ahmad Dhiban said that the U.S. embassy in Amman was directly interfering with Jordan's trade with other countries and imposing on Jordanian merchants its own orders.

A columnist in Al Dstour blamed the government for not doing enough to help the expatriates returning from Kuwait to utilise their savings in income generating projects. Shaker Johari said that such projects would help Jordan deal with its unemployment problem. The writer said unless the expatriates are helped to utilise their capital, they would become a liability and add to Jordan's burdens once they have spent their savings on non-profitable schemes.

Fahd Al Faneck, who writes for Al Ra'i daily, said that the government should treat the expatriates on equal footing with other citizens of this country and should not exempt them from paying customs duty on their cars and other belongings they bring into the country. The writer said that the expatriates had made a lot of money while abroad and they have to help their country now by paying their dues. The writer noted that only the rich expatriates benefit from any government decision to charge reduced customs because they own the big cars and other luxuries.

Hani Al Saoudi offered a contrary view and said that the government measure to exempt expatriates from full customs duty is restricted to a limited number of people for a certain period of time. The writer said only very few people among the expatriates are able to pay the duty because they had lost much of their savings and their jobs.

A columnist in Al Ra'i daily said that as the Jordanian universities reopen for the new academic year, students face the problem of ensuring transport from and to their homes. Nazih noted that students attending classes at Yarmouk University and the Jordan University of Science and Technology could find no means of transport to take them home or to their classes. These students, he said, could not find homes to stay in view of the influx of expatriates returning from Kuwait and converging mainly on Amman and the northern regions of the country where the two universities are located. The writer urged the government on the one hand and the universities on the other to help end the students' ordeal.

Baker ends Jordan visit after delivering letter

(Continued from page 1)

ing to enable the overwhelming majority in the region to realise that the opportunity he taken before it is gone.

Asked whether Jordan would attend the conference without the Palestinians, the King replied that the Kingdom was working for a comprehensive peace, "which means that everyone concerned and desirous of attaining a just and durable peace solution to this problem."

"I believe that the Palestinian dimension of the problem is probably the most important dimension. After all we are dealing with the Palestinian problem as such that has affected people for years," the King said. He added that the efforts during the process was to deal with all aspects of the problem, but expected that the different parties should assume their responsibilities and the future of the region.

Mr. Baker reiterated that if the opportunity to take advantage of the peace process was missed, the Palestinians had "the most to lose because Palestinians have perhaps the most to gain."

The King stressed that the Palestinians would represent themselves in the Palestinian-Israeli dimension of the problem and that there was a possibility for the Palestinians to attend the peace conference under the umbrella of a joint delegation.

"The possibility is there for them to come with us under the umbrella of a joint delegation to achieve that and where they will be responsible for the Palestinian-Israeli dimension," the King said, reiterating his call for the Palestinians to join.

The King added that the elements who were opposed to peace were everywhere, "but nonetheless we have to prove that we know what responsibility means, and I hope that we will be able to see some progress in the near future with the cooperation of all concerned."

Secretary Baker paid tribute to King Hussein for his astuteness and constructiveness in his leadership and his efforts to address the Middle East conflict.

"In my view, no one has been more serious, more substantive, more constructive in their efforts and no one has exhibited greater leadership and greater courage as have you in your efforts — not just the ones that we are undertaking now together with others — but efforts that you have made through the years in order to address this very difficult problem," Mr. Baker told the King during his statement to the press following their three-hour meeting.

Mr. Baker said that the opportunity to take advantage of the peace process towards achieving a comprehensive settlement to the Middle East conflict on the basis of international legitimacy.

"There is a real window of opportunity here, something that all of us should take advantage of — the Arab states, Israel and the Palestinians — to an effort to achieve a comprehensive settlement to this problem on the basis of U.N. Security Council Resolution 242 and 338," Mr. Baker said.

"I believe this is the best opportunity that has presented itself in a long time and I also think that it is going to be a long, long time before the bus ever comes by again," Mr. Baker added.

Official sources contacted by the Jordan Times said Mr. Baker's visit was aimed at delivering the letter of assurances requested by the Kingdom to clarify the U.S. position on a number of issues pertaining to their interpretation of United Nations resolutions on the Palestinian problem.

However, the sources declined comment on the details of the talks, only saying that the lengthy letter "was thorough and detailed legal and political analysis."

Mr. Baker explained that the letter of assurances to Jordan, as well as the other similar letters that were delivered to the prospective participants in the anticipated peace conference, were based on reaffirmation of the American commitments to the parties involved.

"We are in these letters reaffirming the certain understandings, explanations and commitments that we have made in the course of trying to put this process together," Mr. Baker said, adding that the letters were lengthy and needed time for analysis before pursuing the discussions further.

He said that some of the issues discussed in the letters of assurances included the American commitment to seek a comprehensive settlement based on Security Council resolutions 242 and 338, which call on Israel to withdraw from the occupied territories in exchange for secure Israeli borders.

"We point out that various parties will have, when the negotiations begin, different interpretations with what 242 might require, and that's what the negotiations are designed to deal with," Mr. Baker said. He added that the American understanding of these resolutions meant land for peace on all fronts.

Asked by a reporter on whether the peace conference would take place should the Palestinians decide not to attend, Mr. Baker said that such a question should be directed to Syria or any other participant in the conference.

"What we are trying to put together, trying very hard to send a message, is a two-track process that will strive to achieve a comprehensive settlement. If the Palestinians pass up an opportunity and prove that Abbas Elabaz was right, the question then is: Will it be the desire of other possible parties to the peace conference, strive to make whatever they can from the other issues that are involved," Mr. Baker said.

The American official was probably referring to a statement made by the former Israeli Foreign Minister when he said that the Palestinians never missed an opportunity to miss an opportunity.

When the American secretary of state was pressed on whether the U.S. was prepared to sponsor a peace conference without the Palestinians, Mr. Baker said that Washington would sponsor a conference that would "proceed toward peace on all the board on all of these issues on both tracks and on the issues that relate to both tracks."

The U.S. proposed peace conference due next month was to start a two-track negotiations, Arab-Israeli negotiations and Palestinian-Israeli negotiations that would eventually lead to a regional solution to the Middle East peace conflict.

Ashrawi: Progress made

(Continued from page 1)

She indicated, however, that should the three issues — stopping Israeli settlements in the occupied territories, the status of East Jerusalem and the Palestinian right to self-determination — be clarified to coincide with the Palestinian position, a positive decision would be taken by the PNC in its session in Algiers Monday.

"I would say these are issues of tremendous importance to the Palestinians and these are the issues that will enable the (Palestinian) leadership to take a positive decision," Dr. Ashrawi said.

Following is the transcript of Dr. Ashrawi press conference at the Palestine embassy:

Dr. Ashrawi: The meeting was to pursue some of the issues dealing with the letter of assurances to get further clarifications and to get to some more answers and we asked for a reaffirmation of certain things and basically we concentrated on the three issues of settlements, East Jerusalem and self-determination. I can say there was some progress but not sufficient progress we will have to work some more. This will just be another draft on the road to further drafts in order to achieve a final formulation.

Q: Do you think you are getting there? Do you think you can now recommend to the PNC to take part in this conference?

A: Well what I am going to do is present the PLO and the PNC with all the information we have been able to gather so far and with all the possible changes we might have, and it is up to them to take the right decision.

Q: Did you feel that Mr. Baker is forthcoming?

A: To a certain extent.

Q: Can you say which of these three issues is the main sticking point?

A: I would say these are issues of tremendous importance to the Palestinians and these are the issues that will enable the leadership to take a positive decision. So far the PLO has been extremely cooperative and responsive and the fact that they have asked me to come here and meet with Secretary Baker is another positive signal and I think that with sufficient work and persistence we will get there.

Q: Was there any progress on these three issues?

A: Some, but not enough. There is work that has to be done.

In reality there was some progress but not sufficient, and therefore we consider this another draft and we do not consider that the letter of assurances has reached its final stages and I will present it to the Palestinian leadership, to the PLO and the PNC to follow up and then take the proper decision. In my opinion there is a future stage in working on this letter and if we were able to continue with our determination, especially on three core issues, stopping settlements, East Jerusalem and the right to self-determination, then in my opinion we will be able to get guarantees and more clarifications and answers.

Q: Is there development on the issue of self-determination?

A: I do not want to discuss the content and details of the letter because as I said, it has not been finalised yet.

Q: Does Baker know that you will present these issues to the PLO?

A: Yes. I told him and I delivered a

message from President Yasser Arafat over the positive steps that were taken by the PLO concerning the peace process and the positive direction of the PLO and concentrated on the three important points which I talked of earlier.

In every meeting we deliver a message from President Arafat and he knows that we deliver the answers to the Palestinian leadership and it is the only party which is authorised to take the decisions.

Q: This means a contact between the American administration and the PLO?

A: Regardless of what the U.S. or any other country sees fit or not, we, as a Palestinian people, have the right to choose our sole legitimate representative and it is the PLO. And it is the only party that can speak on behalf of the Palestinians wherever they may be and it is the only party that can sign agreements and therefore any binding decision or any legal decision or any legitimate representation cannot come from any side except the PLO. From a practical point also if they wanted peace based on international legitimacy and respect for the national rights of the Palestinian people and real peace in every sense of the word there is no alternative but the PLO being the Palestinian representative.

Q: Do you think they want real peace?

A: In my opinion the American administration is serious and it is exerting great effort and it is trying to bring a peace process. But we are also trying on our part to make sure that this process is based on international legitimacy and guaranteed Palestinian national rights and is moving in the right direction to end the occupation and recognise the Palestinians' right to self-determination and then move towards either an independent state or independent state with a confederal agreement (with Jordan).

Q: Do you believe that process is going in the right direction?

A: I believe that there is still a lot of work to be done on the process.

Q: But are you optimistic?

A: I always tell people I don't use the terms optimistic or pessimistic. I am very serious about this and very realistic and I have been asked to carry out a very serious task which I will do to the best of my ability.

Q: What about Members of PNC going to Algeria?

A: Israel pretends to be a democracy but it forbids Palestinian people, using all methods, from practising their right to participate through the legitimate Palestinian institutions. Therefore I see that it is the right of the Palestinians living under occupation and in exile to participate in the work of the PNC and president has sent a letter to that effect to the Secretary General of the U.N. Perez de Cuellar, as well as to the EC and we delivered a number of letters to this effect to the representative of the European countries and to Secretary Baker and we consider this a basic right. Israel should not be allowed to withhold it from the Palestinian people.

Q: Have you set up a date for a meeting with Baker?

A: We haven't decided on specific meetings but he asked for further meetings.

Q: Did you accept a compromise proposal on representation on Jerusalem?

A: There have been no answers from our side on this. We are still in a stage of discovery and exploration and gathering additional information, clarification and answers over the letter. But the Palestinian leadership has not yet given any answers and has not committed itself to any position. The decision is that of the PNC and

on our part we are trying to provide the PNC with all the information concerning this letter and guarantees.

Q: How do you measure American seriousness in light of Israel's continued settlement policy?

A: Israel actually challenges the U.S. continuously by tries to lead the process by imposing preconditions and exercising a policy of a fait accompli and accelerating its measures against the Palestinian people. The U.S. says it is serious and that it works continuously towards starting a political process based on legitimacy meaning Resolutions 242 and 338. The fact that the U.S. first has continued its efforts despite of Israeli intransigence and Israeli insults against the American administration indicates some kind of a commitment.

There is also the latest development meaning the confrontation between the U.S. administration and the Congress or the administration and Israel. It means that Israel has challenged the American administration in its internal policies and asked for discussion of the loan guarantees even when the administration asked for postponing this request. Therefore, it registered a confrontation, which has many political ramifications.

As far as we are concerned, if we are to take it as an indication, it is a positive indication of the willingness of the U.S. and the existence of an independent political will to confront Israel, and this is unprecedented. We have been accustomed to see Israel imposing its will on the U.S. and trying to dictate a political position based on Israel's interests. We see this as an indication and a beginning of change, which may crystallise to a firm position and more effective and practical steps concerning the confrontation between the U.S. and Israel. But since efforts are continuing to find the format which is acceptable to all participating parties, or those who might participate also indicates the interest of the U.S. we want to point out that the weak point in this issue is that the U.S. considers that the mere acceptance by Israel to participate is an achievement and therefore, it is ready to give it many guarantees and down payments and tries to pull it to the negotiations table at any price. So there has been a retreat in the American position as a result of the Israeli pressures. On our part, we are trying to balance this retreat by insisting on international legitimacy and the core issues to find the mechanism that would allow the process to take its right course.

Q: We hear Baker talking of ending occupation but not withdrawal. Was this discussed?

A: Yes it was discussed.

Q: Were the basics defined?

A: It has not yet been finalised. I think the U.S. is quite serious about this peace process, I think they have exhibited a sense of determination and single-mindedness. They have been trying to overcome obstacles seriously and they have been trying to supply the assurances needed by the different parties. The confrontation was brought upon by Israeli insistence on presenting the request for loan guarantees even when the U.S. asked them not to; Israeli insistence with a certain amount of arrogance and interference in American domestic policies and forcing the hand of the administration. This meddling in internal affairs has also brought about this confrontation between the U.S. and Israel. And I think that the administration's position on this issue has demonstrated a political will to take a firm stand, which is something that is not very usual in American politics. We have always accused this state of equilibrium in the relationship between the U.S. and Israel as being a classic case of the tail wagging the dog. For the first time we see a determination, an ability and willingness to stand firm on an issue.

We hope that this is symptomatic that Israel will not constantly be treated as the country above the law or deserving of preferential treatment, and that the U.S. will take firm decisions and stands and therefore gain some credibility in the peace process as a country with independence.

I delivered a message (from Mr. Arafat) that he has asked me to meet Secretary Baker at the secretary's request in Amman, and in doing so he has demonstrated another proof of the PLO's serious endeavour and seriousness of intent at pushing the peace process forward, and supporting Mr. Baker's effort to have a just peace process. Mr. Arafat also reiterated the three basic principles that we talked about: Settlement in the occupied territories, the issue of East Jerusalem and the Palestinian right to self-determination and also expressed the fact that the PLO has welcomed the peace effort and any positive response on these issues will help the PNC and the Palestinian leadership to take a positive response and attitude towards the conference.

Q: How would you describe the gap now? Is it narrowing?

A: There is still a gap, but I don't think things are static from our experiences with reality. It is quite mobile, and therefore, I don't think any gap is going to be a permanent gap. I think that with serious hard work and dedication and if we're really committed to peace as the Palestinians are, then we should be able to bridge any gap. It takes real effort, determination and sincerity as well to be able to bridge gaps. I don't think we have achieved everything that we want, but I don't think that it is an impossible task.

Q: Did you ask Baker to use his

influence on Israel for the PNC members to go to Algeria?

A: Yes, we have asked Secretary Baker for that during our meeting in Jerusalem, he said he would see what he can do. It seems that the Israeli preoccupied him by announcing that they were not going to allow Palestinians to attend the PNC.

Q: Any breakthrough in your discussions with Baker this morning?

A: I would not say there were any dramatic breakthroughs. Those of you who are familiar with the process of preparing for negotiations know that it is a very long and painstaking effort and issues have to be taken one at a time. We have to be extremely patient and persistent and dedicated in order to achieve results.

Q: Will there be enough progress on the letter of assurances to get a positive response from the PNC?

A: Well I think that the intentions are there to work on the assurances as long and as hard as it takes. I think that the PNC will have sufficient data to evaluate and to take the proper decision but I am not sure whether the final draft will be ready before the PNC at least they will have the evolution of certain facts.

Q: Will there be enough progress for the PLO to take a decision to go to the conference?

A: I wouldn't want to preempt the PNC decision.

Q: Do you think that there will be a dialogue between the U.S. and the PLO directly?

A: I think that this is an inevitable decision. If the U.S. is really concerned about peace then real peace is based on solving the Palestinian problem which is the core of the conflict in the region and the Palestinian problem cannot be solved without the

PLO. Therefore if the PLO chose to assign individuals, for the time being, certain missions connected to peace process this does not mean that the PLO will remain behind the scenes for a long time. This is just a sure that in the future the relationship will return to its normal state. But the American-Palestinian dialogue or the U.S. dialogue with the PLO is not an end in itself, it is a means and in our opinion it is admission of the legitimacy of the PLO and the Palestinian leadership. We demand it as a means of reaching the real and serious solution to the region's problems.

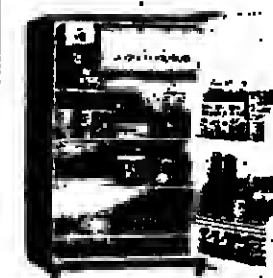
There is a serious and consistent effort to prepare for the peace process and you know that the PLO since November 1988, has approved a political programme and launched a peace initiative and therefore had must be prepared at all times and were preparing ourselves practically and theoretically for the content, peace by translating our political positions to practical political positions, the to guaranteed practical issues which we can uphold. It is not enough, say that we need to achieve the right to self-determination but we have to translate that slogan into a realistic content which can be applied practically.

Q: Do you face the possibility, re-Israeli measures after meeting with PLO officials after you return to West Bank?

A: The Palestinian uprising can be because of a sense of challenge, asking risks and if we continue to consider ourselves or to place limits on ourselves based on assumptions about what Israel can do we will achieve anything.

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Baker, Ashrawi meet in Amman

(Continued from page 1)

said that final agreement eluded the American and Palestinian negotiators but that progress was registered during the talks.

A Reuters dispatch quoted the official as saying Dr. Ashrawi "felt and we felt we made some progress, but I don't want to say we have a series of understandings."

"We have a better appreciation and we have a better appreciation of what can be done and what can't be done," the official was quoted as saying.

Asked about PLO statements that Palestinians would seek a U.S. commitment on self-determination, widely interpreted to mean a separate

Palestinian state, the official said: "I don't think we have ever had a position such as the one you just outlined."

Dr. Ashrawi's unexpected meeting with Mr. Baker in Amman came counter to reports that had dismissed the possibility of such a meeting in Amman citing inadequacies in the letter of assurances delivered to the Palestinians last week.

Sources said that the American ambassador to Jordan was officially informed Thursday night that there would be no meeting in Amman. No reason was given for the change in plans. It must have been late in the evening that Dr. Ashrawi received clearance to go ahead with the meeting.

ing, and aides to the secretary of state reportedly roused him at 2 a.m. with the news that the Palestinian representative was travelling across the River Jordan from Ramallah to meet him in Amman. Mr. Baker delayed his departure to Damascus by two hours to accommodate his meeting with Dr. Ashrawi.

Earlier Thursday, Mr. Baker said that he had invited Palestinians to meet with him in Jordan, but they turned him down. However, he declined to speculate whether Dr. Ashrawi and another two fellow Palestinian negotiators had been pressured by the PLO to reject the invitation.

Jordan satisfied with assurances

(Continued from page 1)

U.S. President George Bush has created a furor in Israel by asking the American Congress to delay considering \$10 billion in loan guarantees to resettle Soviet Jews until the peace process takes shape.

Mr. Masri, describing a recent U.S. move to restore military aid to Jordan after the Gulf war as a possible first step, said Mr. Baker and King Hussein also discussed how Washington could help the Kingdom's troubled economy.

Jordan, already labouring under an \$8 billion foreign debt, lost the support of traditional backers because of its stand during the Gulf crisis and is now burdened by a flood of its citizens forced from Kuwait.

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Financial Markets

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U.S. Dollar in International Markets

Currency	New York Close Date: 18/9/1991	Telaviv Close Date: 19/9/1991
Sterling Pound	1.7295	1.7300
Deutsche Mark	1.6850	1.6856
Swiss Franc	1.4720	1.4723
French Franc	5.7410	5.7450
Japanese Yen	134.35	134.40
European Currency Unit	1.2160	1.2141

* USD Per STG
** European Opening @ 8:00 a.m. GMT

European Currency Unit

Currency	1 MTH	3 MTHS	6 MTHS	12 MTHS
U.S. Dollar	5.45	5.43	5.45	5.85
Sterling Pound	10.37	10.06	10.00	9.87
Deutsche Mark	9.00	9.12	9.25	9.31
Swiss Franc	8.06	8.00	7.81	7.75
French Franc	9.18	9.31	9.37	9.34
Japanese Yen	7.00	6.59	6.34	6.12
European Currency Unit	9.62	9.75	9.75	9.81

Interbank bid rates for accounts receiving U.S. Dollars 1,000,000 or equivalent.

Metal	USD/Oz	JD/Gm	Metal	USD/Oz	JD/Gm
Gold	350.15	6.80	Silver	4.12	.090

* 22 Karat
Central Bank of Jordan Exchange Rate Bulletin Date: 19/9/1991

Currency	Bid	Offer
U.S. Dollar	.687	.689
Sterling Pound	1.1855	1.1914
Deutsche Mark	.4067	.4087
Swiss Franc	.4658	.4681
French Franc	.1193	.1199
Japanese Yen	.5103	.5129
Dutch Guilder	.3607	.3625
Swedish Krona	.1114	.1120
Italian Lira	.0543	.0546
Belgian Franc	.01978	.01988

Currency	Bid	Offer
Bahraini Dinar	1.7700	1.7750
Lebanese Lira	.0750	.0770
Saudi Riyal	.1828	.1837
Kuwaiti Dinar	—	—
Omani Riyal	.1861	.1874
Egyptian Pound	.2000	.2100
Omani Riyal	1.7275	1.7350
UAE Dirham	.1861	.1874
Greek Drachma	.3925	.3725
Cypriot Pound	1.4250	1.4625

Index	17/9/1991 Close	18/9/1991 Close
All-Share	117.30	118.77
Banking Sector	99.01	98.99
Insurance Sector	119.85	119.94
Industry Sector	146.59	147.19
Services Sector	125.91	127.14

LONDON EXCHANGE RATES

LONDON (R) — Following are the buying and selling rates for leading world currencies and gold against the dollar at midsession on the London foreign exchange and bullion markets Friday.

One Sterling	1.7240/50	U.S. dollars
One U.S. dollar	1.1349/54	Canadian dollar
	1.6955/65	Deutsche marks
	1.9085/9105	Dutch guilders
	1.4785/95	Swiss francs
	5.7650/7700	Belgian francs
	1268/1269	French francs
	134.75/85	Italian lire
	6.1750/1800	Japanese yen
	6.6360/10	Swedish crowns
	6.5480/30	Norwegian crowns
One ounce of gold	347.78/348.20	Danish crowns
		U.S. dollars

Jordan, India plan joint plant for phosphoric acid

By a Jordan Times Staff Reporter

AMMAN — After years of discussions, the first Indo-Jordanian joint venture in fertilisers has taken definite shape in the form of a phosphoric acid plant to be set up in the Kingdom.

The final agreement for the project is expected to be signed in the second week of October by the Jordan Phosphate Mines Company (JPMC), which will provide the infrastructure and raw materials, and India's Southern Petrochemicals Corporation (SAPCO) of Madras, which will come in with equipment and technology.

According to the present plans, the Indo-Jordanian Fertiliser Company, to be set up near Shidiyeh, in the south of Jordan, will start producing about 200,000 tonnes of phosphoric acid every year by 1995, and the bulk of it is expected to be imported by the Indian government, the largest importer of Jordanian phosphates and potash.

Shidiyeh is said to yield phosphates in rich quantities at a production cost much lower than other mines in Jordan.

Agreement in principle has been reached between the JPMC and the Indian company on capital investment and equity distribution of the proposed project and the final form of the ownership of the entity is expected to be finalised during discussions in the first week of October.

A report on the project was submitted to the government, which subsequently gave its endorsement for the project.

Total capital investment in the project is expected to be \$80 million and the Indian contribution will be mostly in the form of equipment and technology while the JPMC will provide the buildings and related infrastructure in

addition to rock phosphates — the raw material.

Apart from confirming that the project was going ahead, JPMC officials declined to discuss definite details of the project.

The project is expected to offer employment to around 150 skilled and non-skilled Jordanians. A limited number of Indian technicians will be present at the plant initially to train Jordanians.

Discussions on the project started in 1988, when an Indo-Jordanian "round-table" conference on industry and investments was held in Amman. But an Indian company which had entered the discussions originally backed out for reasons confined to its administrative and corporate problems in India.

Industry sources say that there is a large scope for phosphoric acid in the international market, and Jordan is best placed to house plants to manufacture the acid in view of the edge the Kingdom enjoys in terms of freight to markets in the Far East, in addition to the abundance of the raw material.

The Soviet Union was also interested in setting up a phosphoric plant in Jordan and discussions had reached an advanced stage before petering off a couple of years ago. But the JPMC remains hopeful that the idea could be revived, Mr. Madani told the Jordan Times.

The JPMC and a consortium of Japanese companies are discussing a plan to set up a plant to manufacture compound fertilisers. Most of the production of the proposed plant — which is expected to have a majority Japanese capital investment — will be exported to Japan. Final shape is expected to be given to this project before the end of the year.

Amman Financial Market weekly trading

Following is a summary of trading during last week and the previous week:

	Sept. 14-18	Sept. 7-11
Daily average	JD 592,283	JD 651,223
Total volume	JD 2,961,414	JD 2,756,116
Total shares	1,602,265	1,645,881
No. Of contracts	2,515	2,729

Sectoral trading:

Industrial	JD 1,554,469 (52.5%)	JD 1,675,210 (60.8%)
Financial	JD 930,528 (31.4%)	JD 889,820 (32.7%)
Service	(12.3%)	(18.1%)
Insurance	(3.8%)	(3.3%)
Share price index	130.9	131.4
No. of companies	75	78
Price movement (rise)	23	31
(Decline)	42	33
(Stable)	9	14

WORLD STOCK MARKETS

TOKYO — Stocks ended easier. Brokers said investors took profits and squared positions ahead of a long weekend. The Nikkei was down 139.57 points to 23,192.74.

FRANKFURT — German shares ended lower after a relatively quiet day, despite the expiry of options on the German DTF futures and options exchange, dealers said. The Dax index fell 4.63 points to close at 1,616.07.

PARIS — French stocks ended only a shade stronger but at a new 1991 closing high after a volatile session dominated by interest in selected stocks. The CAC-40 index added 5.13 to end at 1,885.49.

ZURICH — Shares ended a quiet day steady to slightly firmer. The SPI index closed 1.3 points higher at 1,092.9.

LONDON — Shares ended firmer after a day dominated by a hostile BTR takeover bid for Hawker Siddeley and feverish talk of much bigger takeover to come. The FTSE finished 11.6 up at 2,600.3.

NEW YORK — U.S. blue chips edged off session highs at midday. The broad market was steady at firmer levels thanks to a firm bond market, brokers said. The Dow gained about eight to 3,032.

Foreign companies find business in Kuwait slower than anticipated

KUWAIT (R) — They thought Kuwait would be a gold mine. But hundreds of foreign businessmen are discovering that few contracts are being awarded outside the oil sector.

Many spend their time in hotel rooms waiting for telephone calls that never come.

Some are fortunate. Just one day after Frenchman Edouard Sicsic arrived in Kuwait, he signed a \$600,000 contract to sell computers.

"I was shocked by how quickly I got the contract because I knew of the problems of other companies. I was lucky," he said.

For Briton Robert Fritchard it has been a different story. Three months after arriving in the emirate to represent several British construction companies he has not signed any contracts and the future looks bleak.

"We have had one or two enquiries relating to small contracts but that does not justify travelling all this way," he said. He pointed out that, compared with U.S. firms, British companies were only "trying to grab the bits and pieces."

European diplomats and trade analysts said business was slow in Kuwait and there were no big contracts except in the oil sector and for the supply of basic consumer goods.

More than 20 international fire-fighting teams are working to cap 763 oil wells set ablaze by Iraqi soldiers while at least 167 firms are competing for a contract to recover crude oil from oil lakes.

There has been tough competition for six months between firms trying to win contracts to clear thousands of mines.

The U.S.-based Bechtel Corp — providing support services in fire-fighting — is reported by U.S. officials to have gained the biggest contract so far for around half a billion dollars.

Diplomats said many Western companies were overcharging and lacked knowledge of Arab business thinking.

They said Kuwait's government, which plans to borrow on world capital markets, had slowed reconstruction spending.

"The government is beyond the point of making quick and irrational decisions on repairs because, now the infrastructure is repaired, the government has started to look at the whole reconstruction thing as an investment," said one diplomat.

"The business bonanza is far less than anybody anticipated. There isn't the kind of destruction people thought there was. This is a very competitive market

and companies from all over the world are mobilised to invest in Kuwait," he added.

The government, trying to help rebuild the local private sector, is giving contracts to Kuwaitis where possible.

Hundreds of businessmen crammed Kuwait's hotels immediately after the last Iraqi soldier left at the end of the Gulf war in February following seven months of occupation.

Their dreams of making quick money were short-lived. Initial estimates of \$100 billion worth of damage have been scaled down to \$20 billion.

Electricity and water supplies are back, roads are in service and the telephone system is working. All at the cost of \$130 million.

The new limousines and fancy sports cars that clog Kuwait's streets testify to a thriving automobile business, while shops and supermarkets are bulging with imported consumer products.

But an absence of cranes demonstrates that the construction sector is dormant in a city where diplomats say not more than 50 buildings were damaged in the war.

Kuwait now has a surplus of buildings. The pre-invasion population of two million has been cut in half.

The value of contracts granted

is unknown but Kuwaiti analysts say U.S. firms have grabbed the lion's share.

Trade analysts said British firms have so far won more than \$300 million (\$520 million) worth of contracts, including one by the Royal Ordnance to clear mines.

They said fewer than 100 U.S. firms out of 330 in Kuwait had won contracts but even they were not making huge profits.

"The Kuwaitis are still price-conscious. The government at the start favoured allied countries. Now it is a commercial fight," one analyst said.

U.S. assistant secretary for trade development, Timothy McBride, said in early September that Kuwait's business was regaining the strength it had before Iraq invaded.

He said U.S. companies had clinched about \$2 billion worth of contracts in Kuwait and estimated U.S. exports to the emirate this year would total between \$1.5 billion and \$2.5 billion.

The diplomats and trade analysts advised firms — especially small ones that could not afford to stay in Kuwait for months — to do their homework first.

"The market now is for consumer goods to restock what has been lost, like food stuffs, building material and furnishings," one said.

France favours education, research in tight, cautious budget for next year

PARIS (R) — The French cabinet has approved a cautious, tightly controlled 1992 budget that tints spending towards President Francois Mitterrand's priorities of education and research.

Although Finance Minister Pierre Berezogov expects France to grow faster than most other big industrial countries in the next 12 months, the government decided not to take any chances with its growth and revenue forecasts, spokesman Jack Lang said.

The cabinet was told experts were expecting 2.4 per cent growth but chose to be prudent and budget for just 2.2 per cent, Mr. Lang told reporters after a cabinet meeting.

"A good surprise is better than bad news," he said.

The government wants to avoid a repeat of its frantic search earlier this year for 26 billion francs (\$4.6 billion) in spending cuts and new income to offset a shortfall in taxes caused by slow growth.

Growth this year is now expected to be 1.4 per cent at most instead of the rate of 2.7 per cent initially envisaged.

Mr. Lang quoted Mr. Berezogov as saying France was well placed to benefit from the anticipated moderate recovery because success in taming inflation had helped firms keep their costs down.

The task of the budget was to tackle unemployment, now at a high 9.5 per cent, by making companies even more competi-

tive. In line with a pledge by President Mitterrand, there will be no net increase in taxes.

Government spending will rise 3.1 per cent in 1992, only slightly more than the likely 2.8 per cent increase in prices, and the budget deficit will be limited to 89.5 billion francs (\$15.7 billion).

The deficit was originally forecast this year to be about 80 billion francs (\$14 billion), but because of slow growth it is now likely to exceed 95 billion (\$16.7 billion), economists estimate.

The 1992 deficit target amounts to 1.26 per cent of gross domestic product, which Mr. Lang said compared favourably with Germany's public deficit of 3.1 per cent.

"This cap on spending is in line

with the search for cost cutting that the government began as soon as the economy started to weaken in the summer of 1990. It has one aim: To get through the current economic difficulties without a surge in the deficit or higher taxes," a government statement said.

Within this corset, the government will raise spending on education by 5.7 per cent and on research by 5.9 per cent. The relatively small environment budget will jump 13.6 per cent.

To pay for these priorities, defence spending will go up by only one per cent — not enough to keep up with inflation.

Overall, the budget contained few surprises and financial markets took it in their stride.

Bad economic times spur crime rate in Vietnam

HANOI (R) — Vietnam's crime rate jumped by more than 40 per cent in the first half of 1991 as a faltering economy and high unemployment pushed people to robbery, extortion and prostitution, the official Vietnam Weekly has said.

Police reported 7,083 cases of criminal activity between January and June, an increase of 2,061, or 41 per cent, over the same period in 1990, the newspaper said.

The crime wave killed 71 people, injured 369 more and damaged assets worth more than four billion dong (\$400,000), the weekly said, adding that more than 3,000 criminals were arrested.

"This situation stems from many social causes beyond the capacity of the police to deal with," the newspaper said.

More than 70 per cent of the criminals detained this year were unemployed, indicating that the government must first attack the problem of widespread jobless-

ness before it could expect results in its anti-crime drive, the paper said.

Vietnamese officials say the country of 67 million has about 1.7 million people out of work, but private economists say the figure is far higher, particularly among urban youth.

Hundreds of thousands of Vietnamese have become unemployed over the past two years as Hanoi strives to restructure its ailing economy along more market-oriented lines.

More lay-offs are expected this year as companies grapple with the loss of traditional markets in the Soviet Union and eastern Europe, and the withdrawal of Soviet aid.

The unemployment queue has been lengthened by the addition of 400,000-600,000 demobilised soldiers who are being cut from the ranks of the army.

The Vietnam Weekly said lack of jobs and poor patrolling by security organs had created an atmosphere ripe for crime.

Turkey to speed up privatisation drive

ANKARA (AP) — Turkey has taken to accelerate the privatisation of companies with state shares, an official has said.

Mehmet Cosar, a senior official of the Public Partnership Administration in charge of privatisation, said there would "block sales" to sell off the shares of relatively minor industrial firms and food distribution chains.

But he dismissed reports that the sales would be concluded by general elections set for Oct. 20. He said by then Turkish and foreign firms would barely have sent in their offers.

Unlike earlier privatisation involving the quotation of shares

in the stock exchange or direct sales to public through banks, he said this time the targeted buyers were private firms.

Joint ventures or partnerships between Turkish and foreign firms would be possible, he said. The disclosure coincided with an admission by Finance Minister Adnan Kahveci Tuesday that the government had failed in carrying out its privatisation programme.

In interview with the liberal daily Milliyet, Mr. Kahveci said the government had shown "cowardice" in privatising major state enterprises, fearing attacks from the opposition and the press.

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Consumer spending fall delays British recovery

LONDON (R) — A surprise fall in British consumer spending jolted hopes of an early end to the recession and dampened speculation of a November general election.

Government figures showed retail sales unexpectedly fell by 1.4 per cent in August compared with July, reversing a two-month trend that had suggested a recovery in consumer confidence.

The government says it expects a recovery from the year-long recession to be led by a resumption of consumer spending. But economists said a lack of public confidence was hindering that.

The August sales fall compared with market forecasts of a decline of just 0.2 per cent. Year-on-year retail sales fell 0.3 per cent compared to market forecasts for a 0.7 per cent rise.

A treasury spokesman said the August fall was a blip and did not reverse the better trend seen over the last few months.

Mr. Major, who is mulling the best date for an election, could draw some comfort from a rise of 0.1 per cent in industrial production reported recently by the Central Statistical Office for July over June. Manufacturing rose 0.8 per cent.

The treasury said figures for

unit wage costs and productivity in July were also encouraging.

These showed wage cost growth slowing to 8.8 per cent for the three months to July for 10.8 per cent in the previous three months. Productivity rose by 0.7 per cent in July after a 0.9 per cent drop in June.

The figures followed positive economic indicators for the government last week, including a fall in inflation to 4.7 per cent from 5.5 per cent.

But economists underlined the crucial importance of spending as a sign of confidence.

"The fall in consumer confidence had probably been the big feature of this recession," said Michael Hughes, an investment analyst with leading stockbroker.

"It is going to take time for people to feel confident that interest rates will stay down, that house prices can go up again," he added.

The government believes its gradual cuts in high interest rates, which were imposed to squeeze out inflation, have created conditions for an economic revival.

After total cuts in the last year of 4.5 percentage points to 10.5 per cent, economists predict a further small cut in the next few weeks.

Malaysia to privatise Bernama news agency

KUALA LUMPUR (R) — Malaysia plans to privatise its national Bernama news agency as part of efforts to make it profitable, Information Minister Mohamad Rahmat said.

The Economic Planning Unit, responsible for Malaysia's privatisation programme, is studying the terms of reference for divesting the government's stake in the agency, Bernama quoted him as saying.

The study will decide whether the privatisation will cover the whole agency or only certain profit-making sections, Mr. Mohamad said.

Bernama was set up in 1968 as a statutory body. It is managed by a board of governors comprising an equal number of representatives from the government and the

media. Parliament passed a bill in 1990 to give it sole right to receive and distribute foreign news.

Mr. Mohamad said Bernama would be revamped, adding that its financial position had "not been very healthy until recently."

"The government has finally decided that Bernama must be privatised and not depend on government grant if it is to emerge not only as an efficient provider of news to the print and electronic media but also information services to non-media clients," he said.

Bernama and Teratele systems, a wholly-owned subsidiary of Dow Jones Co., launched Wednesday a commodity and financial information service in Kuala Lumpur.

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Russian parliament rejects new food programme

MOSCOW (AP) — Russian Prime Minister Ivan Silayev, newly chosen to run the whole Soviet economy, suffered a defeat Friday in his own parliament when lawmakers voted no confidence in his programme to supply food and deal with the economic crisis.

Deputies voted 134 to 19 with five abstentions to adopt a resolution which declared "unsatisfactory" Mr. Silayev's government's actions to revive agriculture and master the economic crisis.

The resolution also urged Russian Federation President Boris Yeltsin to review the makeup of his government and dismiss officials who had performed poorly.

Russian deputies rejected wording that would have made the resolution a no-confidence vote on the government's performance as a whole.

The votes followed a pessimistic speech Thursday by deputy Russian Prime Minister Oleg Lobov, who said nil production in the republic was 51 per cent down from last year, leaving the government short of hard currency for needed imports like grain.

Friday's vote was a blow for Mr. Silayev, who said Wednesday he will quit as Russian prime minister once a new national council is formed to manage the chaotic Soviet economy. He has been appointed to head the new inter-republic economic committee, a new governing structure proposed in the wake of the failed Aug. 18-21 coup.

Mr. Lobov said that industrial production as a whole fell 3.8 per cent for the first eight months of the year from the same period in 1990. He predicted the grain crop would total 95-96 million tonnes, which he deemed average for the past 10 years.

U.S. officials have forecast that the Soviet grain harvest will be roughly average for the past decade, but 40 million tonnes down on last year's bumper 235 million tonnes. Even with that crop, consumers had to line up for basic foods all last winter.

A key problem is that farmers are unwilling to sell grain to the state because of low prices and galloping inflation.

Mr. Silayev suggested in an interview this week giving incentives to private producers by offering to store their grain in empty state silos and giving them 10 per cent extra either in seeds or cash if they keep it there for six months.

Mr. Silayev appeared to be suggesting the state would try to get by on those supplies until it gets enough foreign aid or hard currency to purchase grain abroad.

The Russian deputies were sharply critical of Mr. Lobov's speech, saying it merely described the situation instead of introducing market reforms.

Dmitri Vasilyev, a lawmaker from the Samara region on the Volga River, proposed a vote of no confidence in the government as a whole. He criticised Mr. Lobov for what he termed an administrative approach to the economy.

"If we wait several more months to introduce market reforms, the economic situation in Russia will be aggravated, and people will follow a dictator who easily emerges in a situation like this. A dictator like Zhirinovskiy," Mr. Vasilyev said.

He was referring to Vladimir Zhirinovskiy, a right-winger who garnered 6 million votes in Russia's presidential election last June, finishing third.

"The same people who defended democracy in Russia against the putsch will throw us out in winter if we have nothing to eat," Mr. Vasilyev said.

"Mr. Silayev's government proposed a lot of programmes but none of them has been realised," said Deputy Leonid Gurevich, a member of the Russian Parliament's Commission for International Affairs and Economic Relations.

"Mr. Silayev should finish at least one of his numerous programmes before retiring," Mr. Gurevich added.

St. Petersburg mayor warns of food shortages

The mayor of St. Petersburg warned Prime Minister John Major and Foreign Secretary Douglas Hurd Thursday that desperate food shortages threaten his city.

Anatoly Sobchak, who took a defiant stand against last month's abortive coup against Soviet President Mikhail Gorbachev, had the conversations during a private visit to London amid mounting concern over food distribution.

Croatia accuses Yugoslav army of three-pronged attack

ZAGREB, Yugoslavia (R) — Croatia said the Yugoslav army launched a three-pronged attack in the east of the republic Friday after a long column of tanks, soldiers and heavy artillery moved up to the border.

In an assault which flung reinforcements into the battle for control of eastern Croatia, Croatian television said the army attacked the villages of Tovarnik, Nijemci and Lipovac just inside the border with the Republic of Serbia.

"It looks like they're going to try and circle round and bite off Osijek and Vukovar," a Croatian Information Ministry official said of the reports, which could not immediately be confirmed.

The official was referring to two Croatian-held towns which have been under almost constant fire for weeks in fighting between Croatian forces, Serbs who oppose Croatian independence moves and the Serbian-led federal army.

The Croatian official said one of the three assaults had been halted by Croatian forces at Nijemci. He gave no other details.

The army sent more than 700 vehicles thundering out of Belgrade along the main Yugoslav motorway towards Croatia Thursday afternoon. The column had stopped at Sid, close to the three villages but on the Serbian side of the border.

Croatian Radio also reported heavy fighting in the towns of Vukovar and Osijek in northeastern Croatia and mortar fire near

Gospic in the south, one day after European Community (EC) efforts to end almost three months of fighting broke down.

Amid growing international concern about the fighting, which has killed about 500 people since June, Canada called for an urgent session of the United Nations Security Council to discuss the situation. France and Germany supported the call.

"France wants the security council to consider certain rather delicate legal problems that could arise," French President Francois Mitterrand said at the end of a three-day visit to Germany.

"The U.N. can and should intervene with its authority," he told reporters.

Radio Sarajevo in the Republic of Bosnia-Herzegovina said a column of army troops had started moving from Banja Luka in the north of that republic towards southern Croatia, but the report could not be confirmed.

Air raid sirens wailed in the Croatian capital Zagreb but there was no attack. The sirens also sounded in the Adriatic ports of Sibenik and Zadar and shooting broke out in the central towns of petrinja and Okucani, Croatian Radio said.

The main federal newspaper Borba said Prime Minister Ante Markovic had asked Defence Minister General Veljko Kadijevic and a deputy to quit. They refused and diplomats said the government was in disarray and the army was out of control.

"This is the end of normal civil government," a Western diplomat said.

The federal army is deployed to keep the warring sides apart in Croatia but the Croatian authorities accuse it of backing the Serbs.

Calling for international help, Croatian Foreign Minister Zvonimir Separovic said in a television interview after peace talks in the Hague Thursday: "This time it's an open attack. It's full aggression against Croatia."

Croatia has already sought U.N. help in ending the crisis but its rival Serbia opposes outside intervention and the EC Thursday ruled out sending an armed peacekeeping force.

The decision by the EC ministers in the Hague not to send troops to Croatia was a bitter blow to the outnumbered and outgunned Croats who are depending on the West to save them.

The Western European Union (WEU), under whose auspices the force would be sent, said Friday that Europe could still send several thousand troops to watch over the conflict.

"Whatever we are sending is not a force which will engage in military action. It is to make a ceasefire stick," WEU Secretary-General Willem Van Eekelen told the British Broadcasting Corporation (BBC).

He said between 4,000 and 5,000 troops drawn from EC member countries — could be sent to Yugoslavia.

In a further sign of the army acting independently of federal civilian leaders, Borba said Mr. Markovic had accused Gen. Kadijevic of travelling to Moscow last March to discuss tactics with the Soviet army and to get weapons.

"The responsibility of the Federal Defence Ministry for everything that is happening in the country is both clear and big," Mr. Markovic was quoted as saying.

But Gen. Kadijevic refused to quit and Borba made clear that other cabinet members opposed Mr. Markovic.

At least 16 people were reported killed in clashes Thursday. French journalist Pierre Blanchet, 47, of the French magazine *Nouvel Observateur* was killed and a Swiss colleague, Patrick Riganti, was injured Thursday when they stepped on a mine near Petrinja, hospital officials said.

At least seven foreign journalists have been killed in the Yugoslav fighting.

Riganti's employers, Radio Suisse Romande, said in a statement released in Switzerland that his condition was no longer a cause for concern.

But it said another member of the team that visited Petrinja, Swiss reporter Damien Ruedin, was missing.

"Radio Suisse Romande is doing everything it can to find Damien Ruedin. Swiss authorities and colleagues on the spot are giving it their active support," it said.

Aquino to hold talks with senators on bases

MANILA (R) — President Corason Aquino, trying to break a political deadlock over U.S. military bases in the Philippines, said Friday she would meet pro- and anti-base senators to discuss solutions.

Senators failed Friday to hammer out a compromise on the U.S. military presence in the country amid mounting pressure on Mrs. Aquino to accept a Senate decision to evict American troops.

Fifteen of the chamber's 23 senators met to seek a compromise following warnings the Philippines was drifting into a constitutional crisis over Mr. Aquino's insistence on a referendum to overturn the Senate's landmark vote.

But pro- and anti-U.S. military bases senators remained far apart, with one group suggesting a seven-year withdrawal period for the 8,000 American servicemen and others wanting them out after a year.

"We've all agreed on a process of orderly expeditious withdrawal, but the details will be left to future discussions," said Senate President Jovito Salonga.

Asked by reporters what orderly withdrawal meant, he said: "We have not defined those terms yet. We have not yet agreed on a timetable."

Mrs. Aquino said she would meet both camps shortly.

"I wish to assure our people that I will continue to work for their best interests and that includes a working relationship with both pro-bases and anti-bases senators," she said in a statement.

She said she had asked her legal advisers to study further the referendum proposal.

Mrs. Aquino Thursday seemed to back away from a referendum amid threats to impeach her for violating the constitution and a cabinet revolt.

Sen. Salonga told reporters he believed one cabinet member was ready to resign but Mrs. Aquino's spokesman Tomas Gomez said the president had not received a letter to this effect so far.

The Senate voted Monday to reject a new treaty that would have allowed U.S. operation of Subic Bay Naval Base for 10 more years in exchange for 2.2 billion.

Mrs. Aquino's spokesman Friday denied that she was softening her campaign for the referendum but said she wanted clear support from the people.

"Certainly if the idea of an initiative does not have support of the people, it will be abandoned," the 38-year-old president said Thursday.

Political sources said the government was considering re-imposing a notice to Washington that would give U.S. forces one year to withdraw from Subic.

Battle on Kashmir ceasefire line kills 12

NEW DELHI (R) — At least 12 soldiers were killed Thursday when dozens of Pakistani troops attacked an Indian border post on the volatile ceasefire line that divides Kashmir, the Press Trust of India news agency said.

PTI quoted an official spokesman in New Delhi as saying more than 100 Pakistani soldiers unsuccessfully tried to capture a border post in the Kheran sector of India's only Muslim-majority

state, Jammu and Kashmir. Six bodies of Pakistani soldiers were seen in the vicinity of the post, and others may be lying in mine fields nearby, the spokesman said.

Six Indian soldiers were also killed in the battle, he said. Pakistan Wednesday accused India of a massacre in Kashmir and demanded withdrawal of Indian forces fighting a Muslim rebellion in the disputed Himalayan state.

A Foreign Ministry spokesman, quoted by the Pakistani News Agency (APP), said troops raided two villages in the Bandipur area and killed at least 10 civilians in "cold-blooded and indiscriminate" firing.

Police in Srinagar said earlier this week that the 10 died in the villages of Kumsa and Wamagan during a house-to-house search for armed militants.

Slovak nationalists call for sovereignty

BRATISLAVA, Czechoslovakia (AP) — Some 15,000 Slovaks gathered in this Slovak capital to demand proclamation of Slovak sovereignty, and some of them clamoured for an independent Slovakia.

At the same time, some 3,000 people gathered at a nearby square demonstrated for preserving a common, federal state of Czechs and Slovaks.

With the exception of what is left of the public against violence, the Slovak party that emerged in the peaceful anti-Communist revolution in 1989, all major forces seek some kind of Slovak independence or sovereignty.

The nationalist rally was called by the Slovak National Party. But the main proponent was former Slovak Premier Vladimir Meciar and his movement for a democratic Slovakia seeking a separate Slovak state.

The larger rally's motto was "an appeal to the Slovak parliament to stop hesitation and use this historic opportunity to declare sovereignty in a legal and cultured way..." referring to a forthcoming parliamentary session that will deal with the controversial topic.

China's president appears in public after illness

PEKING (R) — China's 84-year-old President Yang Shangkun, out of public sight since Wednesday because of illness, attended a meeting Friday to bid farewell to a foreign guest.

Witnesses said Mr. Yang walked unaided into a room at the Diaoyutai state guest house to meet Botswana President Quett Masire, whose welcoming ceremony he missed Wednesday.

Chinese reporters who attended the meeting said Mr. Yang, wearing a three-piece suit, laughed and smiled and shook hands all around.

"He looked just the same as always," one reporter said.

The official New China News Agency made no mention of Mr. Yang's health when it reported his meeting with Mr. Masire.

It quoted him as extending congratulations on the visit, which he said "has written a new chapter" for friendly relations.

Chinese sources said Mr. Yang had been admitted to hospital suffering from a high fever and exhaustion.

The Foreign Ministry said he had caught a cold and advised reporters not to make a fuss over his health.

Mr. Yang, one of the most powerful of China's ageing leaders because of his close links with the army, was in hospital for several weeks last year with appendicitis.

In April he disappeared from public view for three days, ill with what was officially described as a cold. The Foreign Ministry at that time declined to confirm reports he had been hospitalised.

Meanwhile, Britain's ambassador has raised concerns with the Chinese Foreign Ministry about harassment of foreign journalists and has taken up the issue of the recent expulsion of a reporter, an embassy spokesman said Friday.

Ambassador Robin McLaren met the ministry's Information Department Director Wu Jianmin for 50 minutes Thursday and expressed concern about the li-

mited time Andrew Higgins, the former Peking correspondent for the British newspaper *The Independent*, was given to leave China.

The spokesman said Mr. McLaren did not lodge a formal protest but noted that Mr. Higgins was told on Sept. 13 he had to leave China by the 15th.

Chinese officials have said Mr. Higgins' newspaper had agreed to withdraw him immediately after a visit to China by British Prime Minister John Major ended on Sept. 4. They accused the paper of breaking its promise.

In June Mr. Higgins was found carrying classified Chinese Communist Party documents about arrests in Inner Mongolia as he was about to board an aircraft for Peking from the eastern city of Yantai.

The ambassador also expressed concern to Mr. Wu about the harassment of foreign reporters by the authorities, the embassy spokesman said.

Mr. McLaren's message to Mr. Wu was: "If (the Chinese) treated journalists better, they might have fewer problems with journalists in return," the spokesman said.

Foreign reporters in Peking are often followed by police, their telephones are routinely bugged, their mail opened and contacts with ordinary Chinese monitored.

Chinese who speak to foreign journalists risk police questioning and even detention.

The meeting was the first official contact between the British embassy and the Chinese government about Mr. Higgins' expulsion, the spokesman said.

China accused foreign journalists Thursday of trying to sway world opinion against Peking and warned it will not tolerate an action "that defies China's sovereignty and laws."

The warning was reported by the New China News Agency and read on the national television news and radio.

Akihito: Asian tour is a 'peace' mission

TOKYO (R) — Emperor Akihito, who next week will become the first Japanese monarch to tour South East Asia, said Friday he hoped to promote an image of his country as peace-loving in a region that remembers Japan's military invasions.

The unassuming Emperor Akihito, in a rare news conference, said he hoped also to visit China and South Korea, where Japan's World War II occupation is still most bitterly resented.

"After the war, looking back upon the past, Japan has been determined to live as a peaceful nation," Emperor Akihito said in reply to a question about the significance of his visit to South East Asia, where the memory of Japanese military atrocities remains vivid.

"I should be happy if the present attitude of a Japan aspiring for peace... would be understood and relations of mutual trust deepened," he said in a typically vague response.

Emperor Akihito, accompanied by Empress Michiko, begins a historic 11-day tour of Thailand, Malaysia and Indonesia next Thursday. I will be his first trip abroad since succeeding his father, the late Emperor Hirohito, and the first to the region by a Japanese emperor.

Emperor Hirohito, known after death as Emperor Showa, died in January 1989 without visiting Asia — primarily because of the problems his visit would provoke.

Emperor Hirohito, worshipped as a god-king up to 1945, symbolised militarism in the Asian countries occupied by the Japanese army until 1945.

WORLD NEWS IN BRIEF

Byelorussia changes name

MOSCOW (R) — Soviet Byelorussia changed its name to the Republic of Byelorussia and adopted a new flag, anthem and coat of arms to reflect its ethnic identity. News reports from the republic of 10 million, on Russia's western border, said the parliament voted to drop the formal title, Byelorussian Soviet Socialist Republic, in favour of Byelorussia — the region's name in the Byelorussian language. Parliament also replaced the hammer-and-sickle banner of Soviet Byelorussia with a pre-Communist flag of red and white horizontal stripes, until recently the symbol of the opposition Popular Front. The new name and symbols were adopted three weeks after parliament declared its independence, a largely defensive move following the failed Kremlin coup.

Bush to meet Ukrainian leader

LOS ANGELES (R) — President George Bush will hold talks with Ukrainian leader Leonid Kravchuk at the White House next Wednesday, the White House said Thursday. It said Mr. Kravchuk, whose agriculture-rich republic has declared independence from Moscow, will be in the United States on a private visit. He and Mr. Bush last met on Aug. 1 when the president visited the Ukrainian capital of Kiev on his way home from the Moscow summit with Soviet President Mikhail Gorbachev. The future meeting was announced in Los Angeles where Mr. Bush is on a political speedmaking trip. In a speech to the Ukrainian parliament last month, when nationalist sentiment was on the rise, Mr. Bush said the United States wanted to strengthen its relations with individual Soviet republics. But he warned strongly against the fragmentation of the Soviet Union, saying it would be "suicidal" for the constituent republics to go their separate ways.

Imelda Marcos may return in October

NEW YORK (R) — Former Philippine first lady Imelda Marcos is thinking of going back to her country by early October with or without the body of her husband, her spokesman has said. Mrs. Marcos, who faces trial in Manila on theft and tax fraud charges, will make a stopover in Honolulu to attend a memorial mass on the second anniversary of the death of her husband, Ferdinand, who died in exile in Hawaii on Sept. 28, 1989, the spokesman said. The remains of the ousted president are being kept in a glass-enclosed, above-ground refrigerated crypt in Hawaii. She has repeatedly stated that it was her husband's dying wish to be buried in his homeland. "If I am not able to fulfil this, I will never be at peace," she said.

CIA officials back Gates

WASHINGTON (R) — Present and former U.S. intelligence officials backed Robert Gates' testimony that he knew little about the Iran-contra scandal, removing one of the last obstacles to his Senate confirmation as CIA director. "I have no information that Bob Gates knew," a key former official told the Senate Select Committee on Intelligence at Mr. Gates' Senate confirmation hearing Thursday. The ex-official, Alan Fiers, pleaded guilty in federal court on July 10 to misleading Congress on the 1986 Iran-contra affair and said he told several high Central Intelligence Agency (CIA) officials about it. The crucial question to him was whether any of them told Mr. Gates who was deputy CIA director then, contrary to his sworn testimony that he knew little about the scandal. Mr. Fiers, a former chief of the CIA's Central American Task Force, answered: "I have no reason to take exception to his characterisation of his knowledge." Mr. Gates said he did not learn of the illegal diversion of Iran arms sales profits to Nicaraguan contra rebels until Oct. 1, 1986, when a CIA analyst, Charles Allen, came to him with that suspicion.

Argentina pulls out of NAM

BUENOS AIRES (R) — President Carlos Menem announced on Thursday that Argentina was quitting the Non-Aligned Movement (NAM), arguing that the Third World group disregarded human rights and political pluralism. "The Non-Aligned Movement" has no reason to exist because it has not adapted to the world's new circumstances," the president said in a news conference. Argentina had joined the group in 1973, during the last presidential term of Juan Peron, the late founder of Mr. Menem's Peronist Party. A populist army general, Mr. Peron long upheld a political stance independent from the bloc led by Washington and Moscow — the principle that led India's Nehru, Egypt's Nasser and Yugoslavia's Tito to found the Non-Aligned Movement in 1961. Mr. Menem said that a non-aligned conference held in Accra earlier this month had dismissed Argentina's preoccupation about human rights abuses in Third World countries "under the pretext of defending the right to self-determination. Argentina cannot belong to a movement that does not respect human rights, freedom of press and political pluralism," he said.

U.S. blacks urge rejection of Thomas

WASHINGTON (R) — Black members of the U.S. Congress, the head of the country's largest labour union and pro-choice women's groups said Thursday they feared Supreme Court nominee Clarence Thomas would vote to roll back hard-won rights for minorities and women. They were among 12 panels of outside witnesses who testified Thursday, both for and against the confirmation of the conservative black federal judge, before the Senate judiciary committee hearing. Despite the harsh criticisms from these and other liberal groups, Republicans said they see growing Democratic support in the Senate for his nomination. The vote of the eight Democrats and six Republicans on the panel is expected to be close, but several Democrats said Judge Thomas did not make any major mistakes in his five days of testimony that would cause him to be rejected. The committee makes a recommendation and then the full Senate votes.

Storm kills 7 in Japan

TOKYO (AP) — Tropical storm Luke pummelled much of Japan with torrential rains Thursday, triggering landslides and floods that killed at least seven people and left four others missing. The downpour flooded more than 20,000 homes and played havoc with Tokyo's transportation. In Saitama Prefecture (state), just north of Tokyo, police said they ordered the evacuation of thousands of people in districts threatened by flooding. More than 400 self-defence forces troops were sent at the Saitama governor's request to rescue people trapped by landslides and floods, they added. The Central Meteorological Agency issued heavy rain and flood warnings for the Tokyo region and northern Japan Thursday as the storm whipped central Japan with winds of up to 108 kilometres an hour. By 8 p.m. (1100GMT), the storm had killed seven people and injured 16, a national police agency official said. Four others were missing.

Secret Swiss force trained by British

BERNE (R) — British secret agents trained members of a shadowy Swiss resistance army in how to counter a Soviet-led invasion, a parliamentary report said. The hundreds-strong P-26 network, set up in 1967 but disbanded last year as a relic of cold war antagonism, was kept secret from generations of Swiss cabinet ministers. The report, released Thursday, said only Britain knew about the existence of P-26, who headed it, its codenames and the location of facilities which included sophisticated arms and underground training bunkers. The British even helped the Swiss plan a headquarters in exile for the Swiss government — without its knowledge. The report condemned Swiss ignorance of the operation, which could have compromised Swiss neutrality. "The defence ministers should at least have been roughly informed of relations with the British secret services, which would have allowed them to assess the matter from a political point of view," the report said.

COLUMN

Town plans to barbecue rhino to boost tourism

JOHANNESBURG (AP) — Officials in a small South African town plan to barbecue a rhinoceros for a local festival designed to attract tourists. Environmental groups and some citizens protested the plan. Organisers said the rhino would be shot on a game farm which has too many of the animals. They said the two-ton bull rhino would take about 60 hours to cook and would be served on Oct. 10. "We have printed thousands of tickets," organiser Herman Erasmus said of the festival in Christiansburg, about 320 kilometres southwest of Johannesburg. However, the Wildlife Society of Southern Africa condemned the planned barbecue as an insensitive publicity stunt. Some callers to a radio talk show expressed disgust at the planned barbecue, saying it was unnecessary to eat a rhinoceros. Others called the protesters hypocrites and "bunny-hugging liberals." Mr. Erasmus said the barbecue was justified because there were too many rhinos. "Their numbers must be reduced," he said.

San Sebastian Film Festival opens

SAN SEBASTIAN, Spain (AP) — The 39th annual San Sebastian International Film Festival opened with Jane Seymour, Alan Bates, Claudia Cerdas, Klaus Kinski and Malcolm McDowell as guests at the inaugural ceremony. The nine-day festival in this Basque resort city will feature 19 films from 14 countries vying for the Concha de Oro. Films entered in the official category but not in the running for prizes include the U.S. film *Boyz n the Hood*, Istvan Szabo's *Meeting Venus*, which recently premiered at the Venice Film Festival; and this year's winner of the Palme d'Or at Cannes, Barton Fink, by Joel and Ethan Coen brothers, who are expected at the festival. Films competing for prizes include those by Swiss director Dany Levy, Canadian Bruce McDonald, Pole Wojciech Marczewski and Soviet director Sergei Snezhkin. In addition to the official section, the festival will offer a "free zone" for experimental films by lesser-known directors, a documentary section, a special homage to Richard Attenborough, and homages to Russian "perestroika" cinema and to Basque-born St. Ignatius of Loyola on the 500 anniversary of his birth.

BBC to launch 24-hour TV news service for Asia

LONDON (R) — The British Broadcasting Corporation (BBC) said Tuesday it would begin a 24-hour television news service to Asia in November. The round-the-clock Asian News and Information channel, part of the BBC's "World Service Television," will be beamed via a satellite operated by the Hutchison Company of Hong Kong to 38 nations with a potential audience of 2.7 billion people. "Its such a large chunk of the world, there is clearly demand for this sort of service," BBC spokesman Robert Wilson said. The Asia Service adds to Europe-wide satellite broadcasts launched by the BBC in April. "Africa might be next, then South America, North America and Australasia," Mr. Wilson said. Funded by viewers' subscriptions, the Asia Channel begins 24-hour news broadcasts on Nov. 15 after operating a two-hour introductory service in October. The deal with Hutchison allows BBC World Service radio to be broadcast via the same satellite.

Algae return to plague Rome's Trevi Fountain

ROME (R) — Only two months after a high-tech facility costing \$2.4 million, Rome's Trevi Fountain is again under assault from tenacious algae. Workmen with brooms and bleach have begun cleaning large green patches which have reappeared on the huge baroque fountain immortalised by Anita Ekberg's midnight splash in Federico Fellini's 1958 film *La Dolce Vita*. City officials said a temporary system to chlorinate the water cascading through sculptures of seahorses and tritons would be installed in a few days. A permanent water treatment system was expected to follow within months. Nicola Salvi's 1760 fountain received a gala reinauguration on July 16 after an 18-month restoration.